Congressional Record

SEVENTY-FIRST CONGRESS, THIRD SESSION

SENATE

FRIDAY, JANUARY 16, 1931

(Legislative day of Monday, January 5, 1931)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. SHEPPARD obtained the floor.

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Ohio for that purpose?

Mr. SHEPPARD. I yield.

Mr. FESS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Keyes	Sheppard
Barkley	Frazier	King	Shipstead
Bingham	George	McGill	Shortridge
Black	Gillett	McKellar	Simmons
Blaine	Glass	McMaster	Smith
Borah	Glenn	McNary	Smoot
Bratton	Goff	Metcalf	Steck
Brock	Goldsborough	Morrison	Stephens
Brookhart	Gould	Morrow	Swanson
Broussard	Hale	Moses	Thomas, Idaho
Bulkley	Harris	Norbeck	Thomas, Okla.
Capper	Harrison	Norris	Townsend
Caraway	Hastings	Nye	Trammell
Carey	Hatfield	Oddie	Tydings
Connally	Hawes	Partridge	Vandenberg
Copeland	Hayden	Patterson	Wagner
Couzens	Hebert	Phipps	Walcott
Cutting	Heflin	Pittman	Walsh, Mass.
Dale	Howell	Ransdell	Walsh, Mont.
Davis	Johnson	Reed	Waterman
Deneen	Jones	Robinson, Ark.	Watson
Dill	Kean	Robinson, Ind.	Wheeler
Fess	Kendrick	Schall	Williamson

Mr. McNARY. The junior Senator from Idaho [Mr. THOMAS] and the junior Senator from Oregon [Mr. STEIWER] are necessarily absent attending a meeting of the Committee on Irrigation and Reclamation.

Mr. BLAINE. I wish to announce that my colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE] is unavoidably absent. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Ninety-two Senators have answered to their names. A quorum is present. The Senator from Texas has the floor.

Mr. JONES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Washington?

Mr. SHEPPARD. I yield.

RED CROSS DEMAND FOR CONTRIBUTIONS

Mr. JONES. Mr. President, our people in the State of Washington are affected by the unemployment situation as are those in other sections of the country, though possibly not to the extent which exists in some sections. They are meeting the situation and they feel that what they are doing is about all they can possibly do. I have a telegram from the mayor of Tacoma and also one from a representative of the Chamber of Commerce of Spokane with reference to the call on the part of the Red Cross for contributions. I ask that the two telegrams may be read.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

[Telegram]

TACOMA, WASH., *January 15, 1931.*

Hon. WESLEY L. JONES,
Washington, D. C.:

Red Cross national headquarters asking Tacoma for $20,000 account relief Mississippi Valley famine. Is it not possible for the United States Government through an emergency appropriation to take care of this relief, and is it possible Government placing cattle above human beings in relief activities? This district business conditions are such practically impossible for Red Cross chapter to raise this amount. Please advise immediately.

M. G. TENNENT, *Mayor.*

[Telegram]

SPOKANE, WASH., *January 15, 1931.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.:

Red Cross, out of national fund of ten million, have called upon Spokane for $20,000. We are already raising large sums to handle our own unemployment situation as well as all charities. Impossible at this time for Spokane to put on special campaign for Red Cross, as community chest campaign is now on and Red Cross is one of beneficiaries. Several of our business men suggest advisability in view of present national condition of Federal Government providing ten million needed for Red Cross. Will appreciate your advise as to feasibility of this idea.

J. A. FORD.

The PRESIDENT pro tempore. The telegrams will be referred to the Committee on Appropriations.

FACILITIES OF PUGET SOUND NAVY YARD

Mr. JONES. My colleague has received similar telegrams. I also have a telegram containing a memorial passed by our State legislature. The memorial is a little premature, because we have not yet provided for the modernization of the battleships, but as it is a memorial from our State legislature I ask that it may be read.

The PRESIDENT pro tempore. The clerk will read, as requested.

The Chief Clerk read as follows:

[Telegram]

OLYMPIA, WASH., *January 15, 1931.*

Senator WESLEY L. JONES,
Senate Chamber, Washington, D. C.:

I have the honor to transmit to you a copy of House Joint Memorial No. 1 adopted by the Twenty-second Legislature of the State of Washington, January 15, 1931.

House Joint Memorial No. 1

To the honorable the SECRETARY OF THE NAVY OF THE UNITED STATES OF AMERICA:

We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

Whereas the Congress of the United States has authorized the modernization of the battleships *Mississippi, Idaho,* and *New Mexico,* and appropriated necessary moneys therefore; and

Whereas the Puget Sound Navy Yard is in a position to perform the necessary modernizing work on any of such battleships and has every facility in readiness for doing it promptly and economically; and

Whereas this work is urgently needed at the Puget Sound Navy Yard to stabilize present unemployment and avoid a very serious unemployment situation now developing at the yard:

Therefore, we, your memorialists, in the name of and for the people of the State of Washington, do most earnestly and respectfully petition and urge you, the honorable Secretary of the Navy, to allocate at least one of said battleships to the Puget Sound Navy Yard for modernization.

The chief clerk is directed to telegraph a copy of this resolution to the Secretary of the Navy, to each of the Senators and Representatives in Congress from the State of Washington, to the Hon. FREDERICK HALE, of Maine, chairman of the Naval Affairs

Committee of the United States Senate, and to Hon. FRED A. BRITTEN, of Illinois, chairman of the Naval Affairs Committee of the House of Representatives.

A. W. CALDER,
Chief Clerk, House of Representatives.

The PRESIDENT pro tempore. The memorial of the legislature will be referred to the Committee on Naval Affairs.

COMMENTS ON PRECEDING TELEGRAMS AND MEMORIAL

Mr. DILL and Mr. BORAH addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. SHEPPARD. I yield first to the Senator from Washington, who I think rose first.

Mr. DILL. Mr. President, I want to say that I received the same telegrams as those received by my colleague. I wish to state further that I replied to the clerk of the House of Representatives of the State Legislature of Washington that, in my judgment, there was little chance or opportunity for one of these battleships to be modernized in a Pacific coast navy yard, because it was generally understood that these ships were going to be modernized in eastern yards.

I also desire to say with regard to the telegrams from Spokane and Tacoma respecting the Red Cross that it should not be understood that our people are not willing to help in every way possible in raising money for the Red Cross, but there is a limit; and the people of the Northwest, particularly of the cities mentioned, have just about reached the limit in contributions of this kind. These telegrams are the very best evidence that the time has arrived when the money for Red Cross relief should come out of the Treasury of the United States and not out of the pockets of the people of cities and towns that are already burdened to the limit in taking care of their own problems of charity.

Mr. BORAH and Mr. COPELAND addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. SHEPPARD. I yield first to the Senator from Idaho. I promised him I would do so.

Mr. BORAH. Mr. President, I want to ask the Senator from Washington a question about the telegrams which have been read. Do I understand that the purport of these telegrams is that the cities, having to take care of their own unemployed, feel that they are unable to respond to the call of the Red Cross?

Mr. JONES. That is the tenor of these telegrams; that they have gone to the limit in taking care of the local situation.

Mr. BORAH. I presume that is a condition which prevails throughout the country very generally. That seems to me to have a direct bearing on the amendment soon to come up for consideration.

PUBLIC-BUILDING PROGRAM

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from New York?

Mr. SHEPPARD. I yield to the Senator from New York.

Mr. COPELAND. Mr. President, I wish to have the attention of the Senator from Utah [Mr. SMOOT] and the chairman of the Committee on Public Buildings and Grounds, the Senator from New Hampshire [Mr. KEYES].

It will be recalled that we had before the Appropriations Committee the other day Col. Arthur Woods, the director of the unemployment commission, and the Chief Architect of the Treasury Department. Both of these men said it is extremely important that certain bills which are now pending before the Committee on Public Buildings and Grounds be passed in order to facilitate the building program for post offices and other public structures. They spoke in positive terms regarding it. Colonel Woods was very emphatic, and the chief architect pointed out the importance of the immediate passage of these measures.

I should like to know what became of Senate bill 4791, introduced by the Senator from New Hampshire [Mr. KEYES] on the 2d of December; Senate bill 5341, introduced by the Senator from Utah [Mr. SMOOT]; and Senate bill 5342, also introduced by the Senator from Utah [Mr. SMOOT] on the 15th of December, more than a month ago? The passage of these bills is essential in order that the Government may proceed with its work. They will hasten condemnation proceedings and permit the viewing committee to act and the making of borings and soundings previous to the taking over of the properties.

I was approached yesterday by somebody from Colonel Woods' office to ask why action could not be taken on those measures. Now, may I ask the Senator from New Hampshire [Mr. KEYES] what has become of these bills and why they have not been reported to the Senate?

Mr. KEYES. Mr. President, the bills to which the Senator from New York refers are before the Committee on Public Buildings and Grounds. It is true I introduced a bill contemplating the expediting of the program for the construction of public buildings, and a similar bill, in fact an identical bill, was introduced in the House of Representatives by Mr. ELLIOTT, chairman of the Committee on Public Buildings and Grounds of the House. I took up with Mr. ELLIOTT the matter of procedure. It seemed to both of us that the legislative situation in the Senate was much more congested than it was in the House, and it was agreed that he would go ahead, hold hearings on his bill, and get it out as quickly as he could. We thought no time would be lost by adopting that program.

The House committee have held hearings; they have reported the bill; it is now on the House Calendar; and Mr. ELLIOTT is making every effort to secure action on the bill. I have felt that that procedure would not delay the measures in any way; in fact I thought it would expedite their consideration as fast as could possibly be done.

I am very anxious, as is the Senator from New York, to do anything that I possibly can to expedite the public-building program.

The Senator has referred to a bill relative to condemnation proceedings. There is such a bill, which was introduced by the Senator from Nebraska [Mr. NORRIS], and which is before his committee, the Committee on the Judiciary, but I do not know what action has been taken upon that measure.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Idaho?

Mr. SHEPPARD. I yield.

Mr. BORAH. The Senator from New Hampshire has referred to a bill pending before the Judiciary Committee to provide for more speedy action with reference to condemnation proceedings.

Mr. KEYES. Yes.

Mr. BORAH. That bill was referred to a subcommittee, and the subcommittee on yesterday afternoon, as I understand, agreed upon a report. We expedited the matter as much as we could. There was a legal question involved which took some little time to investigate, but it has been investigated, and the subcommittee, as I have said, has agreed upon a favorable report on the bill.

Mr. COPELAND. Mr. President, will the Senator from Texas yield to me for a moment more?

The PRESIDENT pro tempore. Does the Senator from Texas yield further to the Senator from New York?

Mr. SHEPPARD. I yield.

Mr. COPELAND. Colonel Woods pointed out that there is but one site-viewing committee, which has to travel all over the United States and has to look at all the sites for proposed buildings. It is utterly impossible to proceed with the erection of these buildings until the sites have been viewed and until soundings have been made.

So far as I am concerned, I am not willing to wait for the House to do this or that; we have a responsibility resting on us; and if we want the building program to go forward these bills must be passed; otherwise it will be six months or a year before construction will be undertaken.

I think that the Commitee on Public Buildings and Grounds should proceed at once to bring forward these bills so that we may have them before the Senate. Otherwise, it would seem to me proper to move that the committee be

discharged from the further consideration of the bills and that they be brought before us. I want it known by every Senator that I am not expressing my own views alone; I am stating what the officials of the Government have said are the things necessary to be done if we are to go forward with those public buildings. There will be no progress in the erection of the buildings unless these bills shall be speedily passed.

EMPLOYEES OF WATER POWER COMMISSION

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield to the Senator from New Mexico.

Mr. BRATTON. Mr. President, it will be recalled that in our discussion of the motion to reconsider the vote by which the members of the Power Commission were confirmed the statement was repeatedly made on the floor of the Senate that two former employees, Russell and King, had the right to submit applications for employment under the new commission and their applications would receive consideration. Some of us felt then that their applications would receive scant, if any, consideration. I hold in my hand an article from this morning's Washington Post entitled "Old Jobs Not Given Two in Power Fight," and in order that the RECORD may be current as to the developments in this matter I ask that the article may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The article referred to is as follows:

OLD JOBS NOT GIVEN TWO IN POWER FIGHT—BODY REINSTATES ALMOST ALL FORMER EMPLOYEES EXCEPT RUSSELL AND KING—STAND CHANGE UNLIKELY

Almost all the former employees of the Power Commission were put back to work yesterday, but prominently absent from the list were the names of William V. King, chief accountant, and Charles A. Russell, solicitor.

Their dismissal by Chairman Smith and Commissioners Draper and Garsaud, of the new commission, led to the most outstanding difference of opinion between the Senate and President Hoover since the latter took office.

The Senate, after days of debate, during which it was charged Russell and King were dismissed because they opposed the power interests, asked the President to send the names of the new commissioners back for reconsideration. Mr. Hoover flatly declined.

From the attitude of commission members it is not expected Russell and King will get their positions back. Members said action would likely be taken within a month in naming an accountant and solicitor to take their places.

All but two of the employees under civil service were reemployed on a permanent basis, but none of the five executive heads of the commission were chosen.

In addition to the posts held by Russell and King, the other executive posts include general counsel, chief engineer, and secretary, once the office held by Frank E. Bonner.

The position of general counsel has been vacant for several months because of death. The present acting chief engineer, Col. M. C. Tyler, was assigned to the former commission by the War Department and is being retained by the present commission while it organizes its force. Two of the minor employees were reappointed upon a temporary basis for 30 days. They were F. W. Griffith, chief clerk of the old commission, and Miss V. M. Crosett, secretary to former Solicitor Russell. No explanation was given for the temporary appointments.

The commission made the permanent appointments, Chairman Smith said, to end uncertainty in the minds of civil-service employees, all of whom were given 30 days of temporary employment when the commission took over its duties.

The action was taken by four members, as Commissioner McNinch was absent because of illness. Commissioner Williamson said McNinch had approved the plans.

BOULDER CANYON DAM

Mr. ASHURST and Mr. NORRIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. SHEPPARD. I promised the Senator from Arizona that I would yield first to him.

Mr. ASHURST. I thank the Senator.

Mr. President, I have just read an editorial in the Washington Post in its issue of this morning respecting an interesting subject. It is a well-written editorial, and I do not take any exception to the conclusion which the author of the editorial draws as to the United States attempting to purchase lands belonging to a foreign power. Every individual is entitled to draw his own conclusions; but I do object to the conclusion which the able editorial writer draws respecting the law on the question of the waters of the Colorado River. The editorial, inter alia, says:

International law is unmistakably in favor of Mexico's right to demand that the United States, in building the Black Canyon Dam, shall not stop or divert the natural flow of the Colorado River. This rule of international law is thus stated by Oppenheim (vol. 1, 4th ed. p. 253).

Nomenclature shifts rapidly; that proposed dam is now called by another name. It was once called the Boulder Dam.

This particular question has been the subject of considerable debate in the Senate, and on December 10, 1928, I spoke in part as follows:

Mr. ASHURST. Mr. President, the junior Senator from Arizona [Mr. HAYDEN] spoke at length upon the pending bill, and with special reference to his amendment proposing some equitable division of the waters of the Colorado River. During the course of his address he was interrogated by the Senator from Idaho [Mr. BORAH] as follows:

"As a proposition of law, let us assume the Senator is correct; but if that is true, are not the advocates of the bill taking the risk here and not the State of Arizona?"

To which my colleague made reply:

"Mr. HAYDEN. That is a correct assumption; but the last thing that the State of Arizona wants to do, and the last thing that the people of any of the seven States want to do, is to throw this controversy into long-drawn-out litigation in the courts."

Mr. President, my colleague, in giving expression to such sentiments, reached a high peak of statesmanship, and I join with him in the statement that the last thing Arizona desires to do is to resort to the courts. But if Arizona's constitutional rights and her valuable resources are to be taken from her without her consent and without due compensation, she has no other course to pursue except to retire behind the ramparts of the Federal Constitution and in the courts secure that meed of justice which the Congress would deny if it passed this bill in this form.

Some misconception exists as to what rights, if any, the Republic of Mexico has in or to the waters of the Colorado River. The United States has no treaty with Mexico respecting a division or a distribution of any of the waters of the Colorado River, and the United States would not be an independent sovereign power, but would indeed be a vassal nation, if any other nation could compel the United States, in the absence of treaty, to send to such other nation any of the waters originating in the United States.

Down through the years, down through the centuries, from the earliest writers on law to this day, it is agreed that a nation would not be an independent, sovereign nation, but would be a vassal nation, if it were required, in the absence of treaty commitments, to send any of its water to a foreign nation.

I shall now read an opinion delivered by Attorney General Judson Harmon on this question. It is dated Washington, D. C., December 12, 1895.

I request permission to include in the RECORD at this point the opinion of the Attorney General, and also a letter signed by Mr. Frank L. Polk, Acting Secretary of State, dated July 17, 1919, in which, inter alia, he says:

In reply you are informed that the United States and Mexico have never concluded an agreement relative to the distribution and use of the waters of the Colorado River for irrigation purposes.

The PRESIDENT pro tempore. Without objection, the opinion and letter referred to by the Senator from Arizona will be printed in the RECORD.

The opinion and letter are as follows:

[Opinion of the Attorney General]

THE ATTORNEY GENERAL TO THE SECRETARY OF STATE

DEPARTMENT OF JUSTICE,
Washington, D. C., December 12, 1895.

SIR: I have the honor to acknowledge the receipt of your letter of the 5th ultimo, in which you refer to the concurrent resolution of Congress passed April 29, 1890, providing for negotiations with the Government of Mexico with a view to the remedy of certain difficulties mentioned in the preamble of such resolution which arise from the taking of water for irrigation from the Rio Grande above the point where it ceases to be entirely within the United States and becomes the boundary between the United States and Mexico. I have also the copy which you inclose of the note of the Mexican minister to yourself, dated October 21, 1895, in which he states at length the position taken by his Government.

You say:

"The negotiations with which the President, acting through the Department of State, is charged by the foregoing resolution can not be intelligently conducted unless the legal rights and obligations of the two Governments concerned and the responsibility of either, if any, for the disastrous state of things depicted in the Mexican minister's letter are first ascertained."

I have the honor, therefore, to call your attention to the legal propositions asserted in Mr. Romero's letter and to inquire

whether, in your judgment, those propositions correctly state the law applicable to the case. In other words—

(1) Are the provisions of article 7 of the treaty of February 2, 1848, known as the treaty of Guadalupe Hidalgo, still in force so far as the River Rio Grande is concerned, either because never annulled or because recognized and reaffirmed by article 5 of the convention between the United States and Mexico of November 12, 1884?

(2) By the principles of international law, independent of any special treaty or convention, may Mexico rightfully claim that the obstructions and diversions of the waters of the Rio Grande in the Mexican minister's note referred to are violations of its rights which should not continue for the future and on account of which, so far as the past is concerned, Mexico should be awarded adequate indemnity?

I reply as follows:

(1) Article 7 of the treaty of Guadalupe Hidalgo, while it was declared to have been rendered nugatory for the most part by the first clause of article 4 of the treaty concluded December 30, 1853, and proclaimed June 30, 1854, was, by the second clause thereof, reaffirmed as to the Rio Grande (now Rio Bravo del Norte) below the point where, by the lines as fixed by the latter treaty, that river became the boundary between the two countries. Said article 7 is recognized as still in force by article 5 of the convention concluded November 12, 1884, and proclaimed September 14, 1886.

So far, therefore, as it affects the subject now in hand, said article 7, in my opinion, is still in force. I am unable, however, to agree with the minister in the interpretation which he gives it.

His statement is that the city of El Paso del Norte has existed for more than 300 years, during almost all of which time its people have enjoyed the use of the water of the Rio Grande for the irrigation of their lands. As that city and the districts within its jurisdiction did not need more than 20 cubic meters of water per second, which was an almost infinitesimal portion of the volume of water, even in times of severest drought, they had sufficient water for their crops until about 10 years ago, when a great many trenches were dug in Colorado, especially in the St. Louis Valley, and in New Mexico, through which the upper Rio Grande and its affluents flow, so greatly diminishing the water in the river at El Paso that except when rains happen to be abundant there is scarcity of water from the middle of June until March. In 1894 the river was entirely dry by June 15, so that no crops could be raised, and even fruit trees began to wither. The result has been to reduce the price of land and cause great hardships to the people, whose numbers in Paso del Norte, Zaragozza, Tres Jacalles, Guadalupe, and San Ignacio diminished from 20,000 in 1875 to one-half that number in 1894.

The minister further states that from a report of the assistant quartermaster general, addressed to the general in chief of the United States Army, dated September 5, 1850, it appears that Captain Lowe (meaning Love), United States Army, ascended the river in a vessel to a point several kilometers above Paso del Norte, showing that it was then navigable at that place. The minister has been misinformed. The original report, which is before me now, shows that Captain Love was instructed to carry "to the highest attainable point in the Rio Grande" his small keel boat, which "drew, with her crew, provisions, arms, etc., on board, 18 inches of water." He found this point at some "impossible falls" which he names "Brookes Falls." Carrying around them "the skiff which had accompanied his boat," he rowed 47 miles farther to other falls, which he named "Babbitts Falls." Beyond this point he "found it impossible to proceed with the skiff, either by land or water," and it was "about 150 miles by land below El Paso."

The minister contends that the irrigation ditches in Colorado and New Mexico, which result in diminishing the flow of water at El Paso, come within the treaty prohibitions of "any work that may impede or interrupt, in whole or in part, the exercise of this right" (of navigation), because, as he says, "nothing could impede it more absolutely than works which wholly turn aside the waters of these rivers." But Article VII is limited in terms to "the part of the Rio Bravo del Norte lying below the southern boundary of New Mexico." Article IV of the treaty of 1853 continues the provisions of said Article VII in force "only so far as regards the Rio Bravo del Norte below the initial of said boundary provided in the first article of this treaty." It is that part alone which is made free and common to the navigation of both countries and to which the various prohibitions apply. It is plain that neither party could have had, in framing these restrictions, any such intention as that now suggested.

The fact, if such it were, that the parties did not think of the possibility of such acts as those now complained of would not operate to restrain language sufficiently broad to include them; but the terms used in the treaty are not fairly capable of such a construction. They naturally apply only to the part of the river with which the parties were dealing and to such works alone as either party might construct on its own side if not restrained. Though equally divided, in theory, between the two nations, where it is their boundary, the river is, in fact, a unit for purposes of navigation, and therefore the treaty required the consent of both for the construction of "any work that may impede or interrupt" navigation, even though it should be "for the purpose of favoring new methods of navigation." (Art. VII.) Up to the head of navigation no such work could have been constructed save by one of the two Governments or by its authority. The prohibition was, therefore, appropriately made applicable to them alone and not to the citizens of either, "neither shall, without consent of the others, construct, etc." Above the head of navigation, where the river would be wholly within the United States, different rules would apply within the United States, different rules would apply and private rights exist which the Government could not control or take away save by exercise of the power of eminent domain, so that clear and explicit language would be required to impose upon the United States such obligation as would result from the construction of the treaty now suggested.

Moreover, the only right the treaty professed to create or protect with respect to the Rio Grande was that of navigation. The claim now made is for injuries to agriculture alone at places far above the head of navigation. Captain Love, in the report referred to, said, "The mouth of Devils River, which is about 100 miles below the mouth of the Puerco (Pecos) and 617 above Ringgold Barracks, is the head of steamboat navigation," and that "with some difficulty" navigation by keel boats was possible "to a point 56 miles above the 'Grande Indian Crossing,' or about 283 miles above the mouth of Devils River." So far as appears, the large and numerous tributaries below El Paso supply a sufficient volume of water for the needs of navigation.

In fact, the part of the treaty now under consideration merely expresses substantially the same rights and duties which international law would imply from the fixing of the middle of the river as the boundary, viz, free navigation of the entire stream below the point where it becomes common to both nations without any levy or exaction or the construction of any work which might impede navigation without the consent of both.

In my opinion, therefore, the claim now made by Mexico finds no support in the treaty. On the contrary, the treaty affords an effective answer to the claim by the well-known rule that the expression of certain rights and obligations in an agreement implies the exclusion of all others with relation to the same subject.

It is not necessary, in order to bring this principle into play, that it shall appear that either party, or both, actually thought of the particular matter whose exclusion is asserted, although that fact, when it appears, may serve to emphasize the inference. I am not advised whether the subject of the use of the water of the Rio Grande for irrigation was mentioned during the negotiations or not, but it is stated that such use had long been made by the Mexicans, and it was known that agriculture could not be carried on in that region without it. It was known, too, certainly to Mexico, that this necessity existed also throughout the entire region watered by the upper Rio Grande and its tributaries; for, as a Province of Spain and then as an independent nation, Mexico had included both New Mexico and Colorado, and from the independence of Texas in 1836 down to the treaty of 1848 Mexico's eastern boundary was the Rio Grande to its source. By this treaty Mexico ceded to the United States the territory west of the Rio Grande and north of the southern boundary of New Mexico, just as she had abandoned to Texas all the territory east of that river, without any reservations, restrictions, or stipulations concerning the river except those above mentioned.

Settlements had long existed in the region of Santa Fe, and the probability of the ultimate settlement of the entire territory along the Rio Grande must have been apparent to both parties. Yet the treaty made no attempt to create or reserve to Mexico or her citizens any rights or to impose on the United States or their citizens any restraints with respect to the use of water for irrigation, although rights of property in the territory were secured to all Mexicans, whether established there or not. (Art. 8.)

The treaty of 1848 was a treaty of peace, and a different rule for the construction of such treaties is laid down by some writers. (Vattel, Law of Nations, Chitty's edition, p. 433.) If it be suggested that the circumstances under which this treaty was made bring its terms, as against the United States, within the operation of such rule, it is a sufficient answer that, even if the existence of the rule be acknowledged, it simply subjects provisions in favor of the United States to strict construction. Like all rules of construction, it has no application except in cases of doubtful meaning of language used and can not be made the means of introducing new terms. Morever, the United States paid $15,000,000 for the territory acquired by the treaty (art. 12); and by the treaty of 1853, which was not a treaty of peace, Mexico ceded further territory in consideration of $10,000,000 (art. 3), repeating without enlarging the stipulations of the former treaty as to rights on the Rio Grande.

(2) I have given my opinion of the construction and effect of the treaty, because it is responsive to your general request, though not to your specific questions. That opinion, perhaps, in strictness makes it unnecessary for me to consider your second question; but as that question is not put alternatively or conditionally, I proceed.

An extended search affords no precedent or authority which has a direct bearing.

There have been disputes about the rights of navigation of international rivers but they have been settled by treaty. (For a list of such treaties see Heffter, Droit Int., Appendix VIII.) The subject is fully discussed by Hall (Int. Law, sec. 39), who denies that the people on the upper part of a navigable river have a natural right to pass over it through foreign territory to its mouth. Now, if such right be conceded, no aid is afforded for the present inquiry, because use for navigation, being common, would not curtail use by the proprietary country, while in the case now presented, there not being enough water for irrigation in both countries, the question is which shall yield to the other.

It is stated by some authors that an obligation rests upon every country to receive streams which naturally flow into it from other countries, and they refer to this as a natural international servi-

tude. (Heffter, Droit Int., sec. 43; 1 Phillemore, Int. Law, p. 303.) Others deny the existence of all international servitudes apart from agreement in some form. (Letters of Grotius quoted 2 Hert., p. 106; Kluber, Droit des Gens Moderne, sec. 139; Bluntschli, Droit Int. Cod.; Woolsey's Int. Law, sec. 58; 1 Calvo, Droit Int., sec. 556.)

Such a servitude, however, if its existence be conceded, would not cover the present case or afford any real analogy to it. The servient country may not obstruct the stream so as to cause the water to back up and overflow the territories of the other. The dominant country may not divert the course of the stream so as to throw it upon the territory of the other at a different place. (See authorities, supra.) In either of such cases there would be a direct invasion and injury by one of the nations of the territory of the other. But when the use of water by the inhabitants of the upper country results in reducing the volume which enters the other it is a diminution of the servitude. The injury now complained of is a remote and indirect consequence of acts which operate as a deprivation by prior enjoyment. So it is evident that what is really contended for is a servitude which makes the lower country dominant and subjects the upper country to the burden of arresting its development and denying to its inhabitants the use of a provision which nature has supplied entirely within its own territory.

Such a consequence of the doctrine of international servitude is not within the language used by any writer with whose works I am familiar and could not have been within the range of his thought without finding expression.

Both the common and the civil law undertake to regulate the use of the water of navigable streams by the different persons entitled to it. Neither has fixed any absolute rule but leaves each case to be decided upon its own circumstances. But I need not enter upon a discussion of the rules and principles of either system in this regard, because both are municipal and, especially as they relate to real property, can have no operation beyond national boundaries. (Creasy, Int. Law, p. 164.) So they can only settle rights of citizens of the same country interesse. The question must therefore be determined by considerations different from those which would apply between individual citizens of either country. Even if such a question could arise as a private one between citizens of the country and those of another, it is not so presented here. The mere assertion of the claim by Mexico would make it a national one, even if it were of a private nature. (Gray *v.* U. S., 1 C. Cls. R. 391–392.) But the use of water complained of and the resulting injuries are general throughout extended regions, so that effects upon individual right can not be traced to individual causes, and the claim is by one nation against the other in fact as well as form.

The fundamental principle of international law is the absolute sovereignty of every nation as against all others within its own territory. Of the nature and scope of sovereignty with respect to judicial jurisdiction, which is one of its elements, Chief Justice Marshall said (Schooner Exchange *v.* McFaddon, 7 Cranch, p. 136):

"The jurisdiction of the nation within its own territory is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself. Any restriction upon it, deriving validity from an external source, would imply a diminution of its sovereignty to the extent of the restriction, and an investment of that sovereignty to the same extent in that power which could impose such restrictions.

"All exceptions, therefore, to the full and complete power of a nation within its own territories must be traced up to the consent of the nation itself. They can flow from no other legitimate source."

It would be entirely useless to multiply authorities. So strongly is the principle of general and absolute sovereignty maintained that it has even been asserted by high authority that admitted international servitudes cease when they conflict with the necessities of the servient state. (Bluntschli, p. 212; see criticism by Creasy, p. 258.) Whether this be true or not, its assertion serves to emphasize the truth that self-preservation is one of the first laws of nations. No believer in the doctrine of natural servitudes has ever suggested one which would interfere with the enjoyment of a nation within its own territory of whatever was necessary to the development of its resources or the comfort of its people.

The immediate as well as the possible consequences of the right asserted by Mexico show that its recognition is entirely inconsistent with the sovereignty of the United States over its national domain. Apart from the sum demanded by way of indemnity for the past, the claim involves not only the arrest of further settlement and development of large regions of the country, but the abandonment, in great measure at least, of what has already been accomplished.

It is well known that the clearing and settlement of a wooded country affects the flow of streams, making it not only generally less, but also subjecting it to more sudden fluctuations between greater extremes, thereby exposing inhabitants on their banks to increase of the double danger of drought and flood. The principle now asserted might lead to consequences in other cases, which need only be suggested.

It will be remembered that a large part of the territory in question was public domain of Mexico and was ceded as such to the United States, so that their proprietary as well as their sovereign rights are involved.

It is not suggested that the injuries complained of are or have been in any measure due to wantonness or wastefulness in the use of water or to any design or intention to injure. The water is simply insufficient to supply the needs of the great stretch of arid country through which the river, never large in the dry season, flows, giving much and receiving little.

The case presented is a novel one. Whether the circumstances make it possible or proper to take any action from considerations of comity is a question which does not pertain to this department; but that question should be decided as one of policy only, because in my opinion the rules, principles, and precedents of international law impose no liability or obligation upon the United States.

Very respectfully,

JUDSON HARMON,
Attorney General.

[Letter of Hon. Frank L. Polk]

DEPARTMENT OF STATE,
Washington, July 17, 1919.

MY DEAR MR. KINKAID: I acknowledge receipt of your letter of July 10, 1919, in which you state that the House Committee on Irrigation of Arid Lands desires for use in connection with the consideration of H. R. 6044, introduced by Mr. Kettner, for the relief of the Imperial Valley irrigation district, to be furnished with copies of any treaties which this country may have with Mexico bearing upon the question of the use of waters taken from the Colorado River for the reclamation of lands in the respective countries, and also copies of any official correspondence pertaining to the subject matter. I am advised that in a telephonic conversation with the solicitor's office of the department you have modified your request for information as to official correspondence and have explained that your principal desire is to obtain copies of pertinent treaties, and that for the present you would be satisfied to receive merely brief reference to correspondence in the matter.

In reply you are informed that the United States and Mexico have never concluded an agreement relative to the distribution and use of the waters of the Colorado River for irrigation purposes. In 1912 this Government proposed to the Government of Mexico the concluding of a convention providing for the appointment of a commission "to study, agree upon, and report" the bases of distribution and appropriation of the waters of this river, the findings of the commission, if and when approved by the two Governments, to be embodied in a treaty. After an exchange between the Governments of several draft conventions a form of convention seems to have been practically agreed upon in May, 1913, but apparently because of the strained relations between this Government and the so-called Huerta administration in Mexico the convention was never signed, and the matter has since been in abeyance.

As having some possible bearing upon this question, in which your committee is interested, I inclose herewith copies of the following treaties between the United States and Mexico:

The treaty of Guadalupe Hidalgo, of 1848, inviting attention to the provisions of articles 5, 6, and 7.

The treaty of 1853, known as the Gadsden treaty, inviting attention to the provisions of articles 1 and 4.

The boundary convention of 1884.

The boundary convention of 1889, together with the conventions of 1895, 1896, 1897, 1898, 1899, and 1900, extending the provisions of the said convention of 1889.

As of further interest to your committee, there is also inclosed herewith a copy of a note from the Mexican Embassy, dated November 27, 1901, in which complaint is made of the alleged diversion of water from the Colorado River by the Imperial Canal system, of Los Angeles, Calif. It will be observed that this complaint is based on alleged contravention of the provisions of the said treaties of 1848 and 1853. The department's records appear to show that this complaint was communicated to the Attorney General, and that the conditions therein complained of formed the basis of a report made by Mr. Marsden C. Burch, a special attorney of the Department of Justice, which report was forwarded to this department by the Department of Justice on September 28, 1903, with the suggestion that because of the nature and bearings of the subject thereof, and because of the interests of various departments of the Government in that subject, it might be desirable to print the report for the information and use of the departments concerned. Accordingly, the report was transmitted to the Director of the Geological Survey on October 14, 1903, with the statement that it was so transmitted because the subject thereof appeared to be connected with the work of his bureau and in the hope that he might find it desirable to print it for the information and use of the departments concerned. The Director of the Geological Survey replied on October 17, 1903, that it was proposed to embody the report in the Second Annual Report of the Reclamation Service.

I am, my dear Mr. Kinkaid, sincerely yours,

FRANK L. POLK,
Acting Secretary of State

PAID PROPAGANDA OF COLLEGE PROFESSORS

Mr. NORRIS. Mr. President——

Mr. SHEPPARD. I yield to the Senator from Nebraska.

Mr. NORRIS. If the Senator from Texas will kindly yield, I desire to have the clerk read an editorial appearing in this morning's Washington Herald entitled "Time to Clean House."

The PRESIDENT pro tempore. Without objection, the editorial will be read.

The Chief Clerk read as follows:

[From the Washington Herald of January 16, 1931]

TIME TO CLEAN HOUSE

The Association of American University Professors has rather belatedly adopted a resolution that any member of the association who testifies or speaks in public on behalf of any organization or individual paying him a retainer fee must make public the fact that he is being paid.

It is more than two years now since the testimony in the power investigation before the Federal Trade Commission brought out numerous instances of college professors on Power Trust pay rolls, and, all things considered, it appears that the educational world has been pretty lax in taking cognizance of the situation. However, this particular association has acted, if belatedly. Better late than never.

The ethics of some of our institutions of learning appear to have changed during the past decade and a half, and not for the better. One of the earliest instances of the now seemingly popular pastime whereby college professors collect double pay for spreading corporation gospel occurred in New England about 15 years ago. In this particular instance it was a railroad company which had subsidized the professor, not the Power Trust, but the principle is exactly the same.

The university with which this particular man happened to be connected had then, if not now, a serious view of its duty to the public. He was dismissed summarily from his university chair, and his friends learned of it not only through the press but through announcements on his behalf that he had become engaged in the practice of law.

So far as the Herald is aware not one of the college professors who were shown in the Federal Trade Commission hearings to be tarred with the corporation stick has been dismissed from his post. And if any other educational organization than the A. A. U. P. has spoken upon the matter, it has done it rather sotto voce.

REPORTS OF COMMITTEE TO AUDIT AND CONTROL THE CONTINGENT EXPENSES OF THE SENATE

Mr. DENEEN. Mr. President——

Mr. SHEPPARD. I yield to the Senator from Illinois; and after this I shall ask to be permitted to proceed.

Mr. DENEEN. Out of order, I ask unanimous consent to submit several reports from the Committee to Audit and Control the Contingent Expenses of the Senate, and I ask that each in turn be reported to the Senate for immediate consideration.

The PRESIDENT pro tempore. Without objection, the reports will be received.

FUNERAL EXPENSES OF THE LATE SENATOR GREENE

Mr. DENEEN. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 385, to pay certain expenses incident to the funeral of the late Senator Frank L. Greene, of Vermont, submitted by Mr. DALE on the 5th instant, and I ask unanimous consent for its immediate consideration.

There being no objection, the resolution was read, considered by the Senate, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the Vice President in arranging for and attending the funeral of the Hon. Frank L. Greene, late a Senator from the State of Vermont, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

SARAH L. CARTER

Mr. DENEEN. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 399, to pay Sarah L. Carter a sum equal to six months' compensation of the late William H. Taylor, submitted by Mr. WATSON on the 13th instant, and I ask unanimous consent for its immediate consideration.

There being no objection, the resolution was read, considered by the Senate, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1930, to Sarah L. Carter, aunt of William H. Taylor, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INVESTIGATION OF WHEAT AND BREAD PRICES AND CERTAIN SUGARS

Mr. DENEEN. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with an amendment, Senate Resolution 374, requesting the Committee on Interstate Commerce to investigate and report to the Senate the reasons for the failure of the price of bread to reflect the decline in the price of wheat and flour submitted by Mr. WAGNER on December 16, 1930. I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none.

Mr. McNARY. Mr. President, the resolution as originally introduced and referred to the Committee on Agriculture and Forestry, authorized this investigation to be made by the Interstate Commerce Committee. The Committee on Agriculture and Forestry subsequently decided the investigation should more appropriately be made by it, and to carry out that action I propose the following amendment, namely, on page 1, line 1, strike out the words "Committee on Interstate Commerce" and insert in lieu thereof the words "Committee on Agriculture and Forestry."

The amendment was agreed to.

The PRESIDENT pro tempore. The amendment proposed by the Committee to Audit and Control the Contingent Expenses of the Senate will be reported.

The Chief Clerk read as follows:

Resolved further, That the committee is further authorized and directed to investigate and to report to the Senate the reasons why whole-wheat flour is higher in price than white flour and why brown and unrefined sugars are higher in price than white and refined sugars, and particularly whether such conditions are a result of a combination in restraint of trade.

Mr. WALSH of Montana. Mr. President, I inquire of the chairman of the Committee on Agriculture and Forestry if that investigation is likewise to cover the reason why the reduction in the price of wheat is not reflected in the price of flour generally?

Mr. McNARY. It fully covers that field.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Whereas the price of wheat has undergone a precipitate decline during the past year; and

Whereas the price of flour has likewise declined; and

Whereas the retail price of bread has not reflected the decline in the price of wheat and flour: Therefore be it

Resolved, That the Committee on Agriculture and Forestry of the Senate, or a duly authorized subcommittee thereof, is authorized and directed to investigate and report to the Senate the reasons for the failure of the price of bread to reflect the decline in the price of wheat and flour, and particularly whether such failure is a result of a combination in restraint of trade.

Resolved further, That the committee is further authorized and directed to investigate and report to the Senate the reasons why whole-wheat flour is higher in price than white flour and why brown and unrefined sugars are higher in price than white and refined sugars, and particularly whether such conditions are a result of a combination in restraint of trade.

For the purposes of this resolution such committee or subcommittee is authorized to hold hearings and to sit and act at such times and places as it deems advisable; to employ experts and clerical, stenographic, and other assistance; to require by subpœna or otherwise the attendance of witnesses and the production of books, papers, and documents; to administer oaths and to take testimony and to make all necessary expenditures as it deems advisable.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, which shall not be in excess of $15,000, shall be paid from the contingent fund of the Senate.

The preamble was agreed to.

MARION S. BROWN

Mr. DENEEN. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 400, to pay to Marion S. Brown a sum equal to one year's salary of the late Joshua A. Brown, submitted by Mr. CARAWAY on the

13th instant; and I ask unanimous consent for its immediate consideration.

There being no objection, the resolution was read, considered by the Senate, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay out of the appropriation for miscellaneous items, contingent fund of the Senate, fiscal year 1930, to Marion S. Brown, widow of Joshua A. Brown, late the superintendent of construction under the direction of the Architect of the Capitol, a sum equal to one year's salary at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATORIAL EXPENSES IN 1930 CAMPAIGN

Mr. DENEEN. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, with an amendment, Senate Resolution 381, extending until the end of the first session of the Seventy-second Congress the special committee on investigation of senatorial campaign expenditures, submitted by Mr. NYE on December 19, 1930; and I ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

The amendment was, in line 7, to strike out "end of the first session" and insert "first legislative day in January, 1932," so as to make the resolution read:

Resolved, That Senate Resolution No. 215, agreed to April 10, 1930, authorizing and directing a special committee of the Senate to investigate the campaign expenditures of and contributions to the various candidates for the United States Senate in the campaign terminating in the general election in November, 1930, hereby is extended in full force and effect until the first legislative day in January, 1932, of the Seventy-second Congress; and said committee hereby is authorized to expend out of the contingent fund of the Senate $50,000 in addition to the amount heretofore authorized for the above-mentioned purposes.

The amendment was agreed to.

The resolution as amended was agreed to.

THE ELEVENTH ANNIVERSARY OF THE EIGHTEENTH AMENDMENT

Mr. SHEPPARD. Mr. President, on the eleventh anniversary of national prohibition it is appropriate to call attention to a recent statement of Thomas A. Edison, whom the world numbers among its foremost thinkers and inventors, and whom modern civilization includes among its principal creators and benefactors, to the effect that the eighteenth amendment has helped the industrial and economic life of America at home and strengthened the industrial standing of our Nation abroad. He said, further, that in his judgment children are better fed and clothed and educated since the coming of national prohibition than they were before. Citing his experience as a manufacturer, which he said was similar to that of other manufacturers, he added that on pay days before prohibition hundreds of pale-faced women, shabbily dressed, some with faded shawls around their heads, appeared at his factory at West Orange, that they were waiting to get some of their husband's money before he got to a saloon, that within a year after the passage of the eighteenth amendment not a single woman appeared. He asserted, also, that the boys and girls of America are more likely to develop a higher degree of physical and mental fitness and become in every way better and more useful citizens under national prohibition of the liquor traffic than under the old license system or any form of State or Government control.

Alcohol as a beverage is a source of infinite injury to a great majority of those who become its victims, to society, and to civilization. It enfeebles or destroys the physical strength and skill, the intellect and will, the moral impulses of by far the larger number of its devotees. It is a habit-forming drug and obtains a hold on this larger number which only with the greatest difficulty can be shaken off, and sometimes not at all. In many instances it banishes self-respect, destroys or imperils sanity, develops cruelty and criminality, subjecting women and children in numerous instances to torture, poverty, starvation, death. It is a scourge of the human race, an enemy of mankind. To say that the traffic in it should not be forbidden by law and fought by every weapon at our disposal is to say that right should yield to wrong. It was the desire to conserve human values that did as much to establish national prohibition as any other thing. It is the desire to conserve human values that will cause us to wage unceasing war against the whole brood of illicit liquors, from whatever source, from our own land or from other lands. The fight against beverage alcohol reached an intensive status when increased population, increased production, increased capital, increased chances for gain made possible by the machine age united to bring about the manufacture of intoxicants to an extent that threatened the permanent corruption and control of government, the general impairment of health and morals and efficiency. The battle raged from year to year with growing fury, until the people at last wrote prohibition into the Constitution of the United States, and there it will remain forever. Every national election since the adoption of nation-wide prohibition has returned overwhelming dry majorities to both House and Senate, and the last election is no exception.

Without foundation in fact is the charge that prohibition has caused a steady increase in crime. Judge Herbert G. Cochran, of Norfolk, Va., acting president of the National Probation Association, stated in an address before that organization at its convention in San Francisco in June of 1929 that, despite the increase in population in the United States, actual commitments dropped one-third from 1913 to 1923 and that the ratio had not increased materially since. Mr. Sanford Bates, superintendent of Federal prisons, while commissioner of correction of Massachusetts showed in his report to the judiciary committee of the State legislature on February 9, 1928, that under prohibition the number of offenses against the person per 100,000 had declined more than 40 per cent in Massachusetts, drunkenness 40 per cent, and that neglect of children had declined more than 50 per cent. He added that violation of the narcotic drug law had steadily declined under prohibition in that State.

Also without foundation is the assertion that young people are drinking more to-day than ever before. Returns from a survey of a million high-school students made within the last year and a half show that the use of liquor by the young is steadily decreasing—a survey made by Mr. C. W. Crabtree, secretary of the National Education Association. On the basis of reports received Mr. Crabtree declared that there is less drinking, delinquency, and carousing among high-school students than in 1920, and that, in his opinion, these reports justified the statement that drinking is decreasing each year among high-school students. Dr. Charles Franklin Thwing, a former president of Western Reserve University, after a careful study of youth and drinking to-day declares that, in his opinion, intemperance among college men is becoming far less common and that his observation includes a period of more than half a century. He refers to contradictory testimony, the use of hip-pocket flasks, and reports of unseemly behavior at parties, but his conclusion is that—

Taken all in all, in country colleges and urban, in institutions large and small, intemperance has in the last 50 years, and in the last 10, distinctly lessened.

Within the last year the Daily Times, of Chicago, has pointed to a decrease in drinking among young people in that city and quoted a West Side bootlegger to the effect that—

Young people have gotten tired of making suckers of themselves, spending money for something that is worthless and waking up with sick headaches that make them inefficient in their work; meanwhile the old timers are dying like flies.

At this point let us note the division among the wets as to what course they would favor in connection with the liquor traffic in the event of the repeal of prohibition, something, of course, which will never occur.

Some among them advocate the complete entry of the Federal Government into the liquor business, including production, distribution, marketing, retail sale.

Others suggest as a substitute for the eighteenth amendment that each State be authorized to engage in the liquor business if it should so desire.

Still others would leave the situation as it was before the eighteenth amendment was adopted.

Clearly, the wets are hopelessly divided as to what they would propose to take the place of national constitutional prohibition.

Let us consider the question of government monopoly of the liquor traffic. Take the experience of nations, States, Provinces, and communities which have tried it. There resulted a tremendous increase in the consumption of alcoholic beverages, the diversion of huge sums from purchase of essentials, like food and clothing, to the buying of alcoholic drink. Other effects were unspeakable political corruption and the degradation of the government before its people and the world as it took up the part of bartender, liquor vender, producer, dealer. Moonshining, rum running, bootlegging, and similar forms of crime seemed under government monopoly to receive a fresh impetus. In fact, the shameful conditions of the license system were repeated on a larger scale in the name of law and government. The conclusion can not be avoided that government control of liquor means liquor control of government; that State control of liquor means liquor control of State.

In a recent issue of Liberty it was said:

> Let those States which want to be wet be wet, and let those States which want to be dry be dry. Let there be the most stringent legislation possible to prevent liquor from leaking out of wet States into dry ones.

The answer is that the most stringent legislation possible will not prevent liquor from leaking out of wet States into dry ones. One of the principal causes of nation-wide prohibition was the inability of States which had voted dry to prevent liquor shipments from States which were wet. To-day they would be less able than ever before to prevent such shipment, because we have to-day more improved highways, more autos, auto trucks, and airplanes and more carriers by water than ever before. Increased and increasing facilities of transportation and communication have reduced this Nation, so far as the transaction of business is concerned, to the size of a State of medium area, and it would now be a more hopeless task than ever to endeavor to prevent liquor lawfully sold in one State from reaching another State which might forbid its sale. There is no possibility of compromise. The Nation must be altogether dry or altogether wet.

To the claim that the eighteenth amendment was adopted without due consideration let it be replied that this amendment was ratified by legislatures elected mainly in 1916 and 1918. National prohibition amendments had been pending in Congress since December, 1913, and the whole Nation was on notice that both Congress and the States might be called upon to act upon the question at any time. Both in Congress and the States the issue of nation-wide prohibition was actively, earnestly, and continuously debated and considered from December, 1913, until submission by Congress in 1917.

The voters of the Nation were on notice when they were electing legislatures in 1916 and 1918 that the members of those legislatures might have before them the matter of ratifying a nation-wide prohibition amendment to the Federal Constitution. Never was an issue more distinctly made, and who will say that the American people were not overwhelmingly in favor of national constitutional prohibition in the face of the following facts: Within 13 months after submission the nation-wide prohibition amendment was ratified by the legislatures of more than 36 States and became a part of the Federal Constitution. All the other States but two followed within the next six weeks. The majorities by which these legislatures ratified were so tremendous as to indicate beyond all doubt that a dry nation had come into being and was speaking its will.

The following table compiled from legislative journals shows the States ratifying the eighteenth amendment to the Constitution of the United States, the amendment which established national constitutional prohibition. It gives the order, date, and vote by which their respective legislatures ratified the joint resolution of Congress proposing the amendment and shows whether at a regular or special session.

State	Senate	House
1. Mississippi, regular session	Jan. 8, 1918; 29 to 5	Jan. 8, 1918; 93 to 3.
2. Virginia, regular session	Jan. 10, 1918; 30 to 8	Jan. 11, 1918; 84 to 13.
3. Kentucky, regular session	Jan. 14, 1918; 27 to 5	Jan. 14, 1918; 67 to 11.
4. South Carolina, regular session.	Jan. 18, 1918; 34 to 6	Jan. 23, 1918; 66 to 28.
5. North Dakota, special session.	Jan. 25, 1918; 43 to 2	Jan. 24, 1918; 96 to 10.
6. Maryland, regular session	Feb. 13, 1918; 18 to 7	Feb. 8, 1918; 58 to 36.
7. Montana, special session	Feb. 16, 1918; 31 to 2	Feb. 18, 1918; 79 to 7.
8. Texas, special session	Feb. 28, 1918; 15 to 7	Mar. 1, 1918; 73 to 36.
9. Delaware, special session	Mar. 18, 1918; 13 to 3	Mar. 14, 1918; 27 to 6.
10. South Dakota, special session.[1]	Mar. 19, 1918; 43 to 0	Mar. 20, 1918; 86 to 0.
11. Massachusetts, regular session.	Apr. 2, 1918; 27 to 12	Mar. 26, 1918; 145 to 91.
12. Arizona, special session	May 23, 1918; 18 to 0	May 24, 1918; 29 to 3.
13. Georgia, regular session	June 25, 1918; 35 to 2	June 26, 1918; 129 to 24.
14. Louisiana, special session	Aug. 6, 1918; 21 to 20	Aug. 8, 1918; 69 to 41.
15. Florida, regular session	Nov. 27, 1918; 25 to 2	Nov. 27, 1918; 61 to 3.
16. Michigan, regular session [2]	Jan. 2, 1919; 30 to 0	Jan. 2, 1919; 88 to 3.
17. Ohio, regular session	Jan. 7, 1919; 20 to 12	Jan. 7, 1919; 85 to 29.
18. Oklahoma, regular session	Jan. 7, 1919; 43 to 0	Jan. 7, 1919; 90 to 8.
19. Maine, regular session	Jan. 8, 1919; 29 to 0	Jan. 8, 1919; 120 to 22.
20. Idaho, regular session [1]	Jan. 8, 1919; 38 to 0	Jan. 7, 1919; 62 to 0.
21. West Virginia, regular session.	Jan. 8, 1919; 25 to 0	Jan. 9, 1919; 81 to 3.
22. Washington, regular session.[1]	Jan. 13, 1919; 42 to 0	Jan. 13, 1919; 93 to 0.
23. Tennessee, regular session	Jan. 8, 1919; 28 to 2	Jan. 13, 1919; 82 to 2.
24. California, regular session	Jan. 10, 1919; 25 to 14	Jan. 13, 1919; 48 to 23.
25. Indiana, regular session	Jan. 13, 1919; 41 to 6	Jan. 14, 1919; 87 to 11.
26. Illinois, regular session	Jan. 8, 1919; 30 to 15	Jan. 14, 1919; 84 to 66.
27. Arkansas, regular session	Jan. 14, 1919; 30 to 0	Jan. 13, 1919; 94 to 2.
28. North Carolina, regular session.	Jan. 10, 1919; 49 to 0	Jan. 14, 1919; 94 to 10.
29. Alabama, regular session	Jan. 14, 1919, 23 to 11	Jan. 14, 1919; 64 to 34.
30. Kansas, regular session [1]	Jan. 14 1919; 39 to 0	Jan. 14, 1919; 121 to 0.
31. Oregon, regular session	Jan. 15, 1919; 30 to 0	Jan. 14, 1919; 55 to 3.
32. Iowa, regular session	Jan. 15, 1919; 42 to 7	Jan. 15, 1919; 86 to 13.
33. Utah,[1] regular session	Jan. 15, 1919; 16 to 0	Jan. 14, 1919; 43 to 0.
34. Colorado, regular session	Jan. 15, 1919; 34 to 1	Jan. 15, 1919; 60 to 2.
35. New Hampshire, regular session.	Jan. 15, 1919; 19 to 4	Jan. 15, 1919; 222 to 131.
36. Nebraska, regular session	Jan. 14, 1919; 31 to 1	Jan. 16, 1919; 98 to 0.
37. Missouri, regular session	Jan. 16, 1919; 22 to 10	Jan. 16, 1919; 104 to 36.
38. Wyoming,[1] regular session	Jan. 16, 1919; 25 to 0	Jan. 16, 1919; 53 to 0.
39. Wisconsin, regular session	Jan. 15, 1919; 19 to 11	Jan. 17, 1919; 58 to 39.
40. Minnesota, regular session	Jan. 16, 1919; 48 to 11	Jan. 17, 1919; 92 to 36.
41. New Mexico, regular session.	Jan. 20, 1919; 12 to 4	Jan. 16, 1919; 45 to 1.
42. Nevada, regular session	Jan. 21, 1919; 14 to 1	Jan. 20, 1919; 34 to 3.
43. Vermont, regular session	Jan. 16, 1919; 24 to 4	Jan. 29, 1919; 155 to 58.
44. New York, regular session	Jan. 29, 1919; 27 to 24	Jan. 23, 1919; 81 to 66.
45. Pennsylvania, regular session.	Feb. 25, 1919; 29 to 16	Feb. 4, 1919; 110 to 93.
46. New Jersey, regular session	Mar. 7, 1922; 12 to 2	Mar. 9, 1922; 33 to 24.

[1] Unanimous in both houses.
[2] Repassed in house to correct error in January, 1923.
Total senate vote: 1,310 for, to 237 against—84.6 per cent dry.
Total house vote: 3,782 for, to 1,035 against—78.5 per cent dry.

This record is all the more amazing because the liquor traffic had been maintaining lobbies at Washington and in the States in an effort to preserve its legal status. The fact that it had maintained these lobbies for many years and had obtained places of vantage and secret control such as perhaps had never been secured by any other special interest makes the absurdly small vote they were able to control against ratification in the legislatures of 46 States a tribute to the universal hold prohibition had come to have on the minds and hearts of the American people.

Since the arrival of national prohibition the wets have blossomed into champions of State rights. Before national prohibition, when dry States were struggling to resist incursions of the liquor traffic from wet States, where were these wet advocates of the rights of States? They were opposing with all the vigor at their command the enactment of legislation preventing interstate shipments of intoxicating liquor from wet States into dry States. It required years of effort on the part of the drys to secure the passage of the Webb-Kenyon Act in order to safeguard to some extent the dry States from liquor invasions by liquor dealers and producers in wet States. That complete security could not be established against liquor shipments from wet States was one of the chief causes of national prohibition.

When prohibition was adopted in State after State within the Nation the wet leaders said it would be of no avail, because the wet States would send torrents of liquor into the dry ones under the protection of the interstate commerce clause of the National Constitution. They said that under

such a condition the rights and powers of States must yield to the Nation's organic law. When at last liquor was forbidden by Federal constitutional enactment throughout the Nation they set up a clamor for the rights of States to be wet or dry in accordance with the separate will of each, knowing full well from the experience of the past that the return of State control would mean, with modern facilities of transport, a death blow for prohibition. When prohibition is a matter of State right and State control and State power they are for the Nation as against the State. When prohibition is a matter of national right and national control and national power they are for the State as against the Nation. As a matter of fact they are for booze first and booze last—booze yesterday, to-day, and forever.

There are some who say that prohibition sends forth an army of spies and meddlers. This is the attitude of every criminal against the officers of the law. Every thief regards enforcement officials as spies and meddlers. Gambler and gangster, rum runner and racketeer, moonshiner and murderer, all look upon the enforcers of law as meddlers and spies and enemies. Those who attempt to bring the officers of the law into disrepute are pursuing a course which if carried far enough will undermine law itself and the order and the security of person and property resting on law.

Those who clamor for the restoration of legalized liquor have short memories or no knowledge of the lawlessness and corruption for which legalized liquor stood before it was stripped of legal status by the same constitutional process which destroyed human slavery. They should be reminded of what a group of investigators composed of selected members of the Judiciary Committee of the Senate found as to the activities of the liquor interests in the days before prohibition. Here is a summary of what that distinguished body ascertained, a body appointed in preprohibition days to examine the operations of the legalized liquor traffic:

The liquor interests furnished large sums of money for the purpose of secretly controlling newspapers and periodicals.

They frequently controlled or attempted to control primaries, elections, and political organizations.

They contributed large sums of money to political campaigns in violation of Federal and State statutes.

They exacted pledges from candidates for public office before election.

They attempted to subsidize the public press and partly succeeded in so doing.

They resorted to an extensive system of boycotting American manufacturing and mercantile concerns for the purpose of coercing them into silence or into active support.

They created their own political organizations in many States and political subdivisions of States in order to establish their own political control and financed these organizations with large contributions and assessments.

They organized clubs, leagues, and corporations to carry out in secret their political objects without their interest being known to the public.

They recorded funds expended for political purposes as proper business expenditure and failed to return them for taxation under the revenue laws of the Nation.

They endeavored by a subtle plan of advertising to control the foreign-language press of the United States.

They subsidized authors of prominence in literary circles to write articles on subjects selected by these interests for standard magazines.

A working agreement existed for many years between the brewing and the distilling interests by which the former contributed two-thirds, the latter one-third of their combined political expenditures.

This is but a hasty review of the facts developed by that investigating body. In addition, the liquor traffic, while it was allowed a legal existence, violated as a general rule every law for its regulation and control. Under such conditions it continued to spread the alcoholic habit among the people, coining the misery, the shame, the tears, the very lives of vast numbers of human beings into unholy gain. It was stronger than precincts, and counties and townships and States. Against such a situation the American people in self-defense invoked the power of the Nation. With characteristic criminality the liquor traffic now endeavors to defy the Nation, but it no longer wears the cloak of law. We are in infinitely better position to continue the fight against it when the Constitution of the United States stamps it as an outlaw in every part of the Republic.

The decrease in death rates during the prohibition era has equaled the saving of 200,000 lives per year. Such is the conclusion of a study on this subject by the Census Bureau of the United States. Under the old-time license system beverage alcohol took a frightful toll of 200,000 lives each year by increasing the liability and the possibility of contagion, by decreasing resistive powers, by lowering living standards, by nullifying the curative efforts of medical science.

The principal foundation on which prohibition rests today is the voluntary obedience of the great mass of the American people. The comparative handful of prohibition-enforcement officials, about 1,700, exclusive of those doing clerical and legal work, scattered among 123,000,000 American people would be overwhelmed but for the fact that they must cope with but a comparatively small and lawless minority. To call this enforcement group an army threatening the home, menacing privacy, and imperiling the liberty of the American people is another wringing-wet absurdity.

We are told that moderation is better than prohibition—and one of the organizations fighting prohibition calls itself the Moderation League. The answer is that the operation of machine power, the basis of modern civilization, calls for prohibition of intoxicating liquor, the steady nerve, the firm hand, the unclouded brain. Who wants to ride upon a modern train with a moderate drinker for an engineer? Who desires to become a passenger in an automobile with a moderate drinker for a driver or in an airplane with a moderate drinker for a pilot? Who would feel secure on an ocean liner charging the darkness and the storm with a moderate drinker at the wheel and a temperate indulger on the bridge? Who would willingly submit to the knife of a moderate drinker for a surgeon? A few years ago the Washington baseball team won the pennant of its league and was preparing for the world series. All Washington was enthused, and a dinner was given the home team, at which every element in the life of this city was to be represented. It was universally insisted in soaking-wet Washington that no intoxicating liquors be served at that dinner, and no liquors were served. Wet Washington knew the effect which even a small quantity of alcoholic liquor might have on the team, when every particle of its physical and mental strength was to be conserved. Mr. President, if prohibition of alcoholic liquor is essential in the winning of a baseball game, how much more essential is it in winning the greater game of life? It is fairly easy to avoid the visibly intoxicated man, to keep him out of danger, and prevent him from being a menace to others. But the quiet, unobserved, moderate drinker, who gives no notice of his condition, apparently sober but temperately drugged, is an enemy in ambush of modern life and may inflict unmeasured injury before he is discovered. Offensive and dangerous as the noticeably intoxicated individual may be, he is far less a social evil than the moderate drinker. Science has shown that a single glass of beer will slow up for four hours the muscular reactions and nerve reflexes, rendering it difficult, if not impossible, for the imbiber to make the quick decisions and take the rapid actions necessary in emergencies to save life or limb.

No greater disaster could befall the Nation than the repeal of the eighteenth amendment.

Repeal the eighteenth amendment and your action will be construed as a deliberate indorsement of the traffic in intoxicating liquor. Repeal the eighteenth amendment and the youth of America will interpret such a step as an invitation to the use of intoxicating beverages, an approval of debauchery. Repeal the eighteenth amendment and you will by that action place the liquor trade in the same class

with the trade in the necessities of existence—on the same level with the traffic in clothing, in shelter, and in food. As the matter now stands the trade in intoxicants is under the heel of the Constitution and the law. They can be obtained only from criminals and outlaws. Reverse this situation, exalt that which you now condemn, and you will let loose upon your country evils which will mean the arrest of its progress, the wreck of its glory, the pollution of its name and fame.

Mr. HEFLIN. Mr. President, I want simply to say a word in behalf of the speech just made by the Senator from Texas [Mr. SHEPPARD]. It is impossible to calculate while a man lives the great amount of good that he does when he espouses a cause whole-heartedly. There is no man in public life who has done as much for prohibition as has the Senator from Texas. The speech which he has delivered here to-day ought to be in the home of every citizen of the United States. It is the greatest prohibition speech to which I have ever listened. I would that every boy in America had it in pamphlet form and could study it. It would be a splendid guidebook for him on his way through life.

I thank the Senator from Texas for the splendid contribution which he has made upon the subject while so many are engaged in the liquor traffic and trying to bring back that deadly and cursed evil upon the land.

Mr. SHEPPARD. Mr. President, I thank the Senator from Alabama.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 15593) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 2865) granting the consent of Congress to compacts or agreements between the States of Wyoming and Idaho with respect to the boundary line between said States, and it was signed by the Vice President.

REPORT OF CHESAPEAKE & POTOMAC TELEPHONE CO.

The VICE PRESIDENT laid before the Senate a communication from the president of the Chesapeake & Potomac Telephone Co., transmitting, pursuant to law, the report of the operations of the company for the year 1930, the accounts for the month of December being only estimated, which, with the accompanying report, was referred to the Committee on the District of Columbia.

RELOCATION OF STREET RAILWAY LINES IN VICINITY OF SENATE OFFICE BUILDING

The VICE PRESIDENT laid before the Senate a communication from the Capital Traction Co. and the Washington Railway & Electric Co., signed by their presidents, which was referred to the Committee on Public Buildings and Grounds and ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *January 15, 1931.*

Hon. CHARLES CURTIS,
Vice President of the United States, Chairman Commission on Enlarging the Capital Grounds, Washington, D. C.

SIR: We refer to the hearing afforded by the Commission on Enlarging the Capitol Grounds, December 8, 1930, to the Capital Traction Co. and the Washington Railway & Electric Co. through their respective presidents and counsel regarding the cost of removal of certain existing street railway lines and their relocation, in the vicinity of the Senate Office Building.

We are now informed by Mr. David Lynn, Architect of the Capitol, under date of December 17, that the commission having considered the matter at a meeting on December 11 have decided to adhere to their original recommendation. This leaves the matter either for the street railway companies to appeal otherwise to Congress or to consider what, if any, other action is feasible to avert the very heavy cost which the existing law charges against them.

As to the first alternative of appealing otherwise to Congress, we recognize that remedial legislation must be dealt with by the Senate and House Committees on Public Buildings and Grounds in the usual method of legislative procedure.

As to other measures for averting the cost imposed upon the companies, we realize that any resort to litigation to determine the validity of the impost would be protracted and final adjudication would be long delayed.

We further realize that the relocation of the street railway tracks is a fundamental part of the completion of the extensive improvements of the Capitol Grounds provided by the existing law.

After deliberation, the companies have determined to proceed under the present mandate of the act entitled "An act to provide for the enlarging of the Capitol Grounds," approved March 4, 1929, and the work will go forward with proper expedition on the part of both companies.

In taking this position, however, we wish to point out that our primary reason is to avoid an obstruction to the progress of the work now being done and planned to be done, and the present employment of labor on the entire undertaking as scheduled.

In this work, the street railway companies are confronted with a burden on their reserves for ordinary and necessary replacements of approximately $400,000. Financial programs covering necessary repairs on their street railway systems in the District are disarranged and their capital accounts are materially affected by the removal of existing property and construction of new installation.

While the Capitol Grounds act requires the removal of tracks from existing streets and avenues and the building of new tracks elsewhere, there is nothing in the act which provides express franchise rights for operation of the new trackage. All existing track is covered by charter or other authority, which creates the franchise for operation thereof.

These matters involve questions pertinent to the validity of the action of Congress in section 4 of the Capitol Grounds act.

We feel that we should lay before your commission and the Congress these several questions and state to you and to the Congress that, while we will proceed with the work, we do so under protest and we wish to say that in the interest of our stockholders and in the interest of the community in the District of Columbia, as later mentioned, we shall request of Congress in due course the recoupment of the compulsory outlay when ascertained on completion of the work.

We beg to request that this communication be treated as such protest and preserved upon the records of Congress as an assertion of legal and equitable rights in the premises, with a view to future request which we will make for indemnity and relief.

AS TO THE PUBLIC INTEREST

Street railway companies as public utilities are entitled to a fair return upon their properties. The destruction of the streetcar tracks in the area affected destroys existing property without reimbursement for the investment therein. The cost of the new construction adds to the capital investment of the companies, and consequently to the value of their property put to public use. This puts an additional burden upon the Washington public, who under the public utilities act, are expected to pay sufficient rates of fare to furnish a fair return upon the value of the entire property publicly used.

Therefore, under existing law affecting the public utilities, the total cost of compliance with the Capitol Grounds act if the companies pay for the work should ultimately be burdened upon that part of the public in the District of Columbia which employs the street railways for travel.

This factor applies under normal conditions when the street railway companies are operating and receiving just returns according to the terms of the public utilities act.

AS TO THE STREET RAILWAY COMPANIES

Under conditions which have arisen since the passage of the Capitol Grounds act the revenues of the street railway companies, already inadequate, have been substantially reduced by competition of unregulated taxicabs. Neither of the street railway companies is at present earning anything approaching a reasonable return on its street railway property. Therefore, under existing conditions, the entire carrying charges on capital expenditures necessary for this work must inevitably come out of the pockets of the shareholders.

As illustrative of this element, the Capital Traction Co., owned in large part by its shareholders, has been compelled within the past two years to reduce its dividends first from $7 per share to $6 per share, and later to the present rate of $4 per share. The stock of the Capital Traction Co. is widely distributed in this community; a very considerable part thereof has been held for one or more generations by the same families, and there are substantial holdings in trust funds for charitable institutions, such as the Louise Home, the John Dickson Home, and various orphanages and hospitals. The reduction of dividend rate on this stock has reduced the incomes of these institutions.

The charging of the cost of the Capitol Grounds' reconstruction to the street railway companies under the requirement of this act means further reduction in the net income, and therefore in the amount available for dividends to shareholders. It is pro tanto a charge against them under existing and immediately prospective condition of street railway operation in the District.

AS TO THE LEGAL ASPECTS

We have earlier stated that the companies have considered their legal rights under section 4 of the Capitol Grounds act, but have decided to proceed with the work in spite of the impairment thereof. We call your attention, however, to these legal elements.

Section 4 of the act is as follows:

"(a) It shall be the duty of any street railway company, the removal of whose tracks is necessary under the plan of the proposed development, when so requested in writing by the Architect of the Capitol, to remove any of such tracks, to repair and restore the space vacated, and to relay such tracks on the streets designated, as may be directed by the Architect of the Capitol, the total cost thereof to be borne by said companies.

"(b) Whenever, in carrying out the provisions of this act, it becomes necessary to change the grade of any street occupied by the tracks of any street railway company the company shall adjust the grade of such tracks to the new grade of the street, the total cost of such adjustment to be borne by said company."

By section 1 of the act the following removals and replacements are required:

SECTION 1 * * * (3) "Closing of C Street to vehicular traffic between New Jersey Avenue and Delaware Avenue, and removal of street-car tracks from C Street and relaying them in a depression and subway between New Jersey Avenue and Delaware Avenue, and extending the street-car tracks on C Street from Delaware Avenue to First Street NE.

"4. Removal of street-car tracks from Delaware Avenue and B Street (including the spur extending from Delaware Avenue into the Capitol Grounds) and relaying them on First Street NE. * * *."

In compliance with these paragraphs, trackage is removed from existing streets and avenues and replaced away from any existing street and on a street not now occupied by street-car tracks.

The alterations will add nothing to the revenue-producing expectation of the companies, but, on the contrary, by removal of track layout to a further distance from the Capitol and the depression of part of the tracks, the alterations create an expectancy of less revenue by making the use of street cars to reach the Capitol less desirable, particularly under present conditions of unregulated taxicab operation to the very doors of the Capitol and Senate Office Buildings.

The original charter provisions of the two companies in the District of Columbia governing adjustment of trackage do not extend to nor place any obligation such as is contemplated by the legislation above quoted.

For instance, the original charter of the Metropolitan Railroad Co., one of the underlying charters here involved created by act of Congress, approved July 1, 1864, contains the broadest charter obligation in this regard of the several company charters in the District of Columbia, as follows:

"That nothing in this act shall prevent the Government at any time, at their option, from altering the grade or otherwise improving all avenues and streets occupied by said road, or the city of Washington from so altering or improving such streets and avenues and the sewerage thereof as may be under their respective authority and control; and in such event it shall be the duty of said company to change their said railroad so as to conform to such grade and pavement."

It will be noted that the obligation of the company is only to conform its trackage to new grades made necessary by alteration or improvement of streets and avenues and the sewerage thereof by the Government.

This charter requirement involves only change in grade and not in alignment of trackage.

The burden imposed on the companies by the Capitol Grounds act is to remove all trackage within certain existing streets and avenues, and to rebuild entirely off any street in part, and in part within a street not presently occupied by trackage.

We assert, therefore, that there is no charter obligation which compels the assumption of these heavy costs by the companies.

ACTION OF CONGRESS IN OTHER AND SIMILAR TRANSACTIONS

Following the enactment of the Capitol Grounds act, Congress passed the George Washington Memorial Boulevard act, approved April 3, 1930, in which the following provision was made:

"No part of the construction costs incurred by the Secretary of Agriculture in carrying out the provisions of this section shall be charged against or be paid by the District of Columbia or the street railway company operating cars on said bridge.

This boulevard passes under the south end of the Highway Bridge, and the removal of the two south spans of that bridge and their replacement by an abutment and underpass have necessitated a large expenditure of money. Congress realized that the burden of this cost should not be placed either upon the District of Columbia, which owns the bridge, or upon the street railway company, whose tracks were removed and replaced.

We point out that there is no distinction in fact, policy, or equity in the two cases. Yet Congress has assumed the burden in the one case and imposed it on the street-railway companies in the other. We respectfully state that this constitutes arbitrary discrimination.

We urge upon Congress the higher equity in our favor in the Capitol Grounds situation, because existing property is of necessity destroyed entirely, replacement elsewhere in a less advantageous location is required, and the companies are affected, not only in existing property but by a reduction of prospective revenue.

We further point out that the cost of rebuilding the steam railroad embankment south of the Long Bridge has been assumed by the Government, and all cost to the railroad company of temporary trackage, culvert construction, and rebuilding of tracks has been indemnified from the Public Treasury.

In the extension of the Capitol Grounds, however, Congress has seen fit, where only the interest of the Nation in the Capital of the United States is concerned, to impose the entire burden of removal and reconstruction of street-car tracks upon the street railway companies alone.

Congress authorized by section 6 of the Capitol Grounds act the appropriation of $4,912,414 to enable the Commission for the Enlarging of the Capitol Grounds to carry out the provisions of the act. Every person owning a dwelling house, land, or other property in the area affected has been or will be recouped from the Public Treasury for any damage this public improvement imposes upon him. Only the street-railway companies are impressed with the burden of sacrificing property and going to additional expenditure to further this public project. All others are reimbursed from the Public Treasury.

CONCLUSION

The companies will, as first stated, proceed with the work imposed upon them and will defray the expense as the work proceeds, but they do this under protest and only because ascertainment of their legal rights would necessitate delay, which would interfere with a great public undertaking and interrupt the present employment of workmen in a time of general unemployment.

The companies proceed upon the theory that Congress will in due course award to the companies the just treatment which has been accorded elsewhere in similar situations.

Legislation is pending in Congress directing the Public Utilities Commission to reduce street-car fares for school children in the District of Columbia. The enactment of such legislation will materially reduce the current revenues of each company.

We feel warranted in mentioning the fact that the street railway companies now pay the salaries of crossing policemen, maintain at constantly increasing cost the pavements between their tracks and other paving in addition, the wear and tear of which is largely augmented by the very taxicabs and other unregulated carriers whose competition depletes the companies' revenues. We are always subjected to heavy expense of renewals due to the costly underground electric conduits that the beautification of the National Capital requires. The companies in addition pay heavy taxes on their gross receipts, while their unregulated competitors using the public streets pay no such taxes. We feel that the companies should receive relief rather than be subjected to charges such as we now protest.

This illustrates the burdens which the street railways of the District of Columbia are compelled to assume for the service of the community, hoping ultimately only that their operations may bring a fair return under the public utilities act to their properties and the owners thereof.

We say finally that the requirement of the Capitol Grounds act imposes substantially 8 per cent of the entire cost of the Capitol Grounds extension not upon the Nation for whom the entire work is being done but upon our two street-railway companies directly and upon the patrons thereof indirectly.

We go forward with the work in anticipation that Congress will in due course award relief to the companies therefor.

Respectfully,

THE CAPITAL TRACTION CO.,
By J. H. HANNA, *President*.
WASHINGTON RAILWAY & ELECTRIC CO.,
By WILLIAM F. HAM, *President*.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the petition of J. K. M. Barry, of Clarendon, Va., praying the United States, through the Congress, for the passage of legislation to: "(1) Restore to me my former position in the Income Tax Bureau from which I was dismissed by the present administration on December 31, 1929, on false charges and without the hearing to which I was entitled under civil service; (2) remove from my record the said charges; and (3) compensate me in accordance with the fifth amendment to the Federal Constitution in the amount of $10,000,000 for certain private property appropriated by the United States through the present administration," which, with the accompanying papers, was referred to the Committee on Finance.

He also laid before the Senate the petition of a committee headed by Hon. Charles Dick, chairman of the North Eastern Ohio Convention of Veterans of All Wars, held at Akron, Ohio, favoring the passage of legislation for the immediate payment of certificates of adjusted pay issued in 1925 to veterans of the World War and redeemable in 1945, which was referred to the Committee on Finance.

He also laid before the Senate the petition of Lincoln Post, No. 13, of the Alliance of the American Veterans of Polish Extraction, of Cleveland, Ohio (numbering 300 World War veterans), praying for the passage of legislation for the prompt payment of the adjusted-service certificates of World War veterans, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the Presbytery of Boston, of the Presbyterian Church of the United States of America, in session at Mattapan, Mass., favoring the ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by sundry Filipinos residing on the Pacific coast, favoring the independence of the Philippine Islands, and protesting against any immigration legislation that may be unfair to the Filipino people, which was referred to the Committee on Immigration.

He also laid before the Senate a letter from Charles Davis, of Bass River, Cape Cod, Mass., referring to previous correspondence and stating in part: "The evenings at Columbia University, as stated in all public announcements, will be devoted to an open forum or symposium for the presentation of the subject of unemployment from any angle or point of view chosen by any speaker, and without fear or favor," which was referred to the Committee on Education and Labor.

He also laid before the Senate a petition signed by Abbott E. Kay, M. D. (U. S. Supreme Court Cause No. 843, Abbott E. Kay, M. D., *v.* U. S. Federal Trade Commission), being petition seeking protection of petitioner's property rights in his discoveries of radioactive substances, inclusive of radium, which, with the accompanying paper, was referred to the Committee on the Judiciary.

He also laid before the Senate petitions of sundry citizens of the State of Georgia, praying for the passage of legislation for the exemption of dogs from vivisection in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. COPELAND presented petitions numerously signed by sundry citizens of the State of New York, praying for the passage of legislation for the exemption of dogs from vivisection in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. JONES presented a petition of members of the faculty of Queen Anne High School, of Seattle, Wash., favoring the ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

Mr. TYDINGS presented petitions of sundry citizens of the State of Maryland, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

Mr. VANDENBERG presented a communication from Wallace J. Howells, president of the Veterans' Political Association of America (Inc.), Detroit, Mich., stating the position of that organization regarding the payment of adjusted-compensation certificates, and favoring the passage of a "full face value payment bill" and not a percentage bill, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. REED, from the Committee on Military Affairs, to which was referred the bill (S. 5732) to authorize the acquisition for military purposes of land in Orange County, N. Y., for use as an addition to the West Point Military Reservation, reported it without amendment and submitted a report (No. 1307) thereon.

Mr. DALE, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 5519. An act granting the consent of Congress to Louisville & Nashville Railroad Co. to construct, maintain, and operate a railroad bridge across the Tennessee River at or near Danville, Tenn. (Rept. No. 1308); and

S. 5722. An act granting the consent of Congress to the State Highway Commission and the Board of Supervisors of Itawamba County, Miss., to construct a bridge across Tombigbee River at or near Fulton, Miss. (Rept. No. 1309).

Mr. DALE also, from the Committee on Commerce, to which was referred the bill (S. 5688) granting the consent of Congress to the State of New Hampshire to construct, maintain, and operate a toll bridge or dike across Little Bay at or near Fox Point, reported it with an amendment and submitted a report (No. 1311) thereon.

Mr. McMASTER, from the Committee on Claims, to which was referred the bill (S. 401) for the relief of Claude J. Church, reported it without amendment and submitted a report (No. 1310) thereon.

Mr. HARRIS, from the Committee on Military Affairs, to which was referred the bill (S. 5246) to amend the act entitled "An act for the erection of a tablet or marker to be placed at some suitable point between Hartwell, Ga., and Alfords Bridge, in the county of Hart, State of Georgia, on the national highway between the States of Georgia and South Carolina, to commemorate the memory of Nancy Hart," reported it with amendments and submitted a report (No. 1313) thereon.

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (H. R. 14266) authorizing and directing the Secretary of War to lend to the entertainment committee of the United Confederate Veterans 250 pyramidal tents, complete; fifteen 16 by 80 by 40 foot assembly tents; thirty 11 by 50 by 15 foot hospital-ward tents; 10,000 blankets, olive drab, No. 4; 5,000 pillowcases; 5,000 canvas cots; 5,000 cotton pillows; 5,000 bed sacks; 10,000 bed sheets; 20 field ranges, No. 1; 10 field bake ovens; 50 water bags (for ice water); to be used at the encampment of the United Confederate Veterans, to be held at Montgomery, Ala., in June, 1931, reported it without amendment and submitted a report (No. 1312) thereon.

He also, from the Committee on Claims, to which was referred the bill (S. 4353) for the relief of the Orange Car & Steel Co., of Orange, Tex., successor to the Southern Dry Dock & Ship Building Co., reported it with amendments and submitted a report (No. 1314) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 1249. An act for the relief of Daniel S. Schaffer Co. (Inc.) (Rept. No. 1315); and

S. 1671. An act for the relief of Stillwell Bros. (Inc.) (Rept. No. 1316).

ENROLLED BILL PRESENTED

Mr. PARTRIDGE, from the Committee on Enrolled Bills, reported that on to-day, January 16, 1931, that committee presented to the President of the United States the enrolled bill (S. 2865) granting the consent of Congress to compacts or agreements between the States of Wyoming and Idaho with respect to the boundary line between said States.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. REED, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Officers' Reserve Corps and in the Regular Army, which were placed on the Executive Calendar.

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, reported favorably sundry post-office nominations, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMAS of Oklahoma:

A bill (S. 5744) for the relief of Jep Knight (with an accompanying paper); to the Committee on Claims.

By Mr. TOWNSEND:

A bill (S. 5745) to amend the act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended; to the Committee on Agriculture and Forestry.

By Mr. TYDINGS:

A bill (S. 5746) granting the consent of Congress to the County Commissioners of Baltimore County, Md., to construct, maintain, and operate a free highway bridge across Deep Creek at or near Marlyn Avenue, Baltimore County, Md.; to the Committee on Commerce.

By Mr. SHIPSTEAD:

A bill (S. 5747) to provide for the determination of claims for damages sustained by the fluctuation of the water levels

of the Lake of the Woods in certain cases, and for other purposes; to the Committee on Foreign Relations.

A bill (S. 5748) to extend the benefits of the emergency officers' retirement act to certain emergency officers of the war with Spain, the Philippine insurrection, and the Chinese Boxer rebellion; to the Committee on Military Affairs.

By Mr. BLAINE:

A bill (S. 5749) for the relief of the town of Oneida, Wis.; to the Committee on Indian Affairs.

By Mr. HOWELL:

A bill (S. 5750) to amend the act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended; to the Committee on Agriculture and Forestry.

By Mr. DENEEN:

A bill (S. 5751) to provide for the reincorporation of the Daughters of Union Veterans of the Civil War, 1861–1865; to the Committee on the Judiciary.

By Mr. PHIPPS:

A bill (S. 5752) to fix more equitably the responsibility of postmasters; to the Committee on Post Offices and Post Roads.

By Mr. THOMAS of Oklahoma:

A bill (S. 5753) authorizing the Secretary of Agriculture to issue permit to the Izaak Walton League of America to enter the Wichita National Forest and Game Preserve to make and submit plans for the development of a memorial commemorating the achievements of said Izaak Walton League of America; to the Committee on Public Lands and Surveys.

CHANGE OF REFERENCE

On motion of Mr. SHORTRIDGE, the Committee on Naval Affairs was discharged from the further consideration of the bill (S. 5568) for the relief of John S. Bonner, and it was referred to the Committee on Military Affairs.

INVESTIGATION OF CAMPAIGN EXPENDITURES

Mr. GLASS. I offer a resolution to which I am sure there will be no objection. I will have to leave the Chamber in a moment, and will ask that the resolution may be read and acted upon at this time.

Mr. SMOOT. Let the resolution be reported.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The clerk will read the resolution.

The legislative clerk read the resolution (S. Res. 403), as follows:

Resolved, That the special committee of the Senate to investigate campaign expenditures, created under authority of Senate Resolution 215, adopted April 10, 1930, is hereby further authorized and directed to investigate any complaint made before such committee by any responsible person or persons, alleging (1) the violation, at any time within two years preceding the adoption of the aforesaid resolution, of any provision of the Federal corrupt practices act, 1925, involving a false statement of campaign expenditures, or (2) a fraudulent conversion to private uses, at any time within such period of two years, of any campaign funds contributed for use in any election as defined in the Federal corrupt practices act, 1925. The committee shall investigate fully the allegations in all such complaints and shall, as soon as practicable, make a full report thereon to the Senate.

The PRESIDING OFFICER. The Chair thinks the resolution ought to go over under the rule.

Mr. GLASS. Does the Chair object to it?

The PRESIDING OFFICER. He does.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 15593. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes; to the Committee on Appropriations.

H. R. 7254. An act to amend an act entitled "An act making an appropriation for the survey of public lands lying within the limits of land grants, to provide for the forfeiture to the United States of unsurveyed land grants to railroads, and for other purposes," approved June 25, 1910;

H. R. 8534. An act for the transfer of jurisdiction over Sullys Hill National Park from the Department of the Interior to the Department of Agriculture, to be maintained as the Sullys Hill national game reserve, and for other purposes;

H. R. 12404. An act to amend the act of April 9, 1924, so as to provide for national-park approaches;

H. R. 12697. An act to authorize an exchange of lands between the United States and the State of Utah;

H. R. 13547. An act to safeguard the validity of permits to use recreational areas in the San Bernardino and Cleveland National Forests; and

H. R. 15008. An act to extend the south and east boundaries of the Mount Rainier National Park, in the State of Washington, and for other purposes; to the Committee on Public Lands and Surveys.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, I rise to offer an amendment to the Interior Department appropriation bill, and I ask for action upon it.

There being no objection, the Senate resumed the consideration of the bill (H. R. 14675) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1932, and for other purposes.

Mr. HAYDEN. Mr. President, if the time is opportune to offer individual amendments to the bill, I submit the following amendment.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The clerk will read the amendment offered by the Senator from Arizona.

The CHIEF CLERK. On page 20, line 8, after the words "tribal funds," insert the following:

Of which $10,000 shall be immediately available.

Mr. HAYDEN. The amendment I have offered makes immediately available $10,000 out of the appropriation of $125,000 provided on page 20 of the bill for lease, pending purchase, of additional land for the Navajo Indians. I have in my hand a justification for the amount in the form of a letter from the Commissioner of Indian Affairs asking that this action be taken.

Mr. SMOOT. Mr. President, I am fully aware of the condition existing in the Senator's State and I have no objection to the amendment.

Mr. WHEELER. Mr. President, let us have the letter read.

The PRESIDING OFFICER. The Senator from Montana asks that the letter be read. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, January 3, 1931.

Memorandum for Senator HAYDEN.
Subject: Purchase or lease of Navajo land.

Proposed amendment to Interior Department appropriation bill: Page 20, line 8, after the word "funds," insert ", of which $10,000 shall be immediately available."

The appropriation act for the present year authorized an expenditure of $50,000 from tribal funds of Navajo Indians and from this appropriation small allotments have been made for the purpose of leasing certain areas needed for grazing of Indian-owned sheep. There is a considerable area which the Government will ultimately purchase for the use and benefit of the Navajo Tribe, and it is desirable that funds be made available immediately for negotiating leases prior to the beginning of the next fiscal year. It will be noted from the text appearing in line 6 that there is a new provision which authorizes lease pending purchase. If sufficient funds were available in the current appropriation, it would not be necessary to request the amendment; but because of the shortage of funds we must have $10,000 of the new appropriation immediately available. If the Government can not negotiate leases covering some of these lands, they may pass out of ownership and not be available when we are ready to go forward with the purchase of this area.

C. J. RHOADS,
Commissioner of Indian Affairs.

Mr. BRATTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Mexico?

Mr. HAYDEN. I do.

Mr. BRATTON. Does the Senator know what land the commission contemplates leasing for the use of the Navajo Tribe?

Mr. HAYDEN. It is to be leased pending purchase. The bill carries a considerable sum for the purchase of land and it is desired to tie up certain tracts by lease, if possible, until such time as the title thereto may be inspected. The land lies primarily between the southern border of the Navajo Reservation and the Santa Fe Railroad, being principally in alternate sections.

Mr. BRATTON. But the lands under consideration for purchase and lease in advance of purchase are situated in Arizona?

Mr. HAYDEN. I understand there are some proposals for the purchase of lands in New Mexico for the benefit of the Navajo Indians.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Arizona is agreed to.

Mr. HAYDEN. Mr. President, I offer another amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 88, line 14, strike out "$48,000" and insert in lieu thereof "$50,000," so as to read:

For operation and maintenance of the Lees Ferry, Ariz., gaging station and other base-gaging stations in the Colorado River drainage, $50,000.

Mr. HAYDEN. The Budget carries an estimate of $50,000 for continuing the operation of the Lees Ferry gaging station in the Colorado River. I do not know why the House reduced it by $2,000. I ask the Senator in charge of the bill to accept the amendment and take it to conference in order to find out why that action was taken.

Mr. SMOOT. Mr. President, I may say that the House decided that the $48,000 was sufficient, and did so, as I understand, without hearings; but I am perfectly willing the item should go to conference. We will present the matter in conference, and if there is any opposition we will ask some one from the department to come before the conference committee and explain it.

Mr. HAYDEN. This is the most important gaging station on the Colorado River, and if the United States Geological Survey estimated that $50,000 is needed to carry on the work, the full amount should be allowed.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Arizona is agreed to.

Mr. HAYDEN. I offer a further amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 43, line 24, in the committee amendment, strike out "$5,000" and insert in lieu thereof "$6,500," so as to read:

For repair, improvement, replacement, or construction of additional public-school buildings within Indian reservations in Arizona, attended by children of the Indian Service, to be equipped and maintained by the State of Arizona, $6,500.

Mr. HAYDEN. The object of the amendment is to complete the construction of a public schoolhouse on the Apache Indian Reservation. After the matter had been considered by the Senate Committee on Appropriations I received a letter from Mr. W. R. Ashurst, field man in the office of State superintendent of public instruction, directing attention to the fact that $1,500 is needed to complete the construction of a schoolhouse at White River, on the Fort Apache Reservation, Ariz. I submitted the matter to the Indian Bureau and have a letter from the commissioner recommending the appropriation. I ask that the two letters may be incorporated in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letters are as follows:

SUPERINTENDENT OF PUBLIC INSTRUCTION,
Phoenix, Ariz., December 15, 1930.

Senator CARL HAYDEN,
Senate Office Building, Washington, D. C.

DEAR SENATOR HAYDEN: I wrote you recently about our further needs for public schools on Indian reservations, but by some means I overlooked our needs at White River, Navajo County, on the Apache Reservation. This is one of the largest schools of this nature in this State. We have three teachers and a prospect of children enough in another year to require four.

We need $1,500 to complete this White River school building. If you can get this for us we will greatly appreciate it.

Thanking you for past courtesies and help, we remain,

Very truly yours,

W. R. ASHURST,
Field Man to C. O. Case.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, January 3, 1931.

Hon. CARL HAYDEN,
United States Senate.

MY DEAR SENATOR: Receipt is acknowledged of your letter of December 23, inclosing one from Mr. W. R. Ashurst urging an additional $1,500 to complete the public-school building at White River on the Fort Apache Reservation.

The amount of $5,000 included in your amendment, which appears on page 43 of the Interior Department appropriation bill as reported to the Senate, does not contemplate the enlargement of the White River school but was included in the bill for the purpose of providing a school building at Peach Springs on the Wallapai Reservation at a cost of $3,500 and the further expenditure of $1,500 for additional facilities at Tuba City on the Western Navajo Reservation.

The school at Peach Springs appears to be more for the benefit of Indian children than children of white Indian Service employees. The director of education and other members of the education staff of the office expect to be in Arizona in January, and if their inquiry confirms the statement of the need for a public-school building at Peach Springs, $3,500 of the $5,000 contained in the amendment will be allotted for this purpose. It would, therefore, be necessary to increase the amount contained in the amendment from $5,000 to $6,500 to provide for the need at White River, and we will be glad to see the appropriation made.

Sincerely yours,

E. S. RHODES, *Commissioner.*

Mr. SMOOT. Mr. President, there is no estimate for this amount, and I therefore feel that I ought to interpose an objection to it.

Mr. HAYDEN. There was no estimate because we did not know about the need for it in time. It was only brought to our attention after the matter had been considered by the Senate Committee on Appropriations. The schoolhouse is partially completed and ought to be finished.

Mr. SMOOT. The Committee on Appropriations put an amendment on the bill providing for $5,000. The item was not placed in the bill by the House at all. In the Senate hearings it was stated that that was the amount which would be required.

Mr. HAYDEN. The Senator is correct. That is all the information I had at that time. This letter from Mr. Ashurst came to me afterwards and I have submitted a reply from the Commissioner of Indian Affairs stating that the additional money is needed. We ought not to leave the schoolhouse partially constructed.

Mr. SMOOT. Very well; I will accept the amendment, but for the reason that it all goes to conference, the $5,000 as well as the $6,500. I shall interpose no objection to the amendment.

The PRESIDING OFFICER. Without objection, the vote agreeing to the amendment of the committee, on page 43, lines 20 to 24, will be reconsidered, and without objection, the amendment offered by the Senator from Arizona to the amendment of the committee is agreed to. Without objection, the amendment of the committee as amended is agreed to.

Mr. HAYDEN. I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 44, after line 12, it is proposed to insert the following as a new paragraph:

Fort Mohave, Ariz.: For 250 pupils, $85,000; for pay of superintendent, drayage, and general repairs and improvements, $25,000; for new buildings and equipment, $100,000; in all, $210,000.

Mr. SMOOT. Mr. President, I will have to make a point of order against that amendment.

Mr. HAYDEN. I must concede, Mr. President, that the point of order is well taken, because the item is not included in the Budget as recommended to Congress by the President. The situation, very briefly, is this: Two years ago the sum of $99,400 was appropriated for this school,

Last year funds to operate and maintain the Fort Mohave Indian School were entirely omitted from the estimates, but there was finally carried in the Interior Department appropriation bill a continuation of the former appropriation for the present fiscal year. The officials of the Indian Service now assert that they can take care of the 250 Indian children in other schools at a saving to the Government, but I doubt whether there will be any real economy in abolishing the school and therefore deem it to be my duty to offer this amendment.

The PRESIDING OFFICER. The point of order is sustained.

Mr. HAYDEN. Mr. President——

Mr. WHEELER. Mr. President, I am going to suggest the absence of a quorum, because there are some Senators who are interested in this bill who, if they knew it was going to be taken up and discussed at this time, would want to be present, I am sure.

The PRESIDING OFFICER. Does the Senator from Arizona yield for that purpose?

Mr. HAYDEN. If the Senator from Montana will pardon me, I do not desire to yield for that purpose. I have no further amendments to offer, but I should like to discuss the bill for a time.

Mr. WHEELER. Very well.

Mr. BRATTON. Mr. President, will the Senator yield in order that I may propose an amendment about which I think there will be no controversy and I should like to have it disposed of now.

Mr. HAYDEN. I have no objection to the Senator from New Mexico offering his amendment.

Mr. BRATTON. Mr. President, the amendment which I have in mind is on page 36, line 23, to strike out the period, insert a comma and the words " to be immediately available." I will say to the Senator having the bill in charge that I have a letter from the Secretary of the Interior in which the adoption of the amendment is recommended.

Mr. SMOOT. I am perfectly aware of the position of the department, and I have no objection to the amendment.

Mr. BRATTON. Very well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HAYDEN. Mr. President, I invite the attention of the Senate to the appropriation, on page 84, of $15,000,000 for continuing the construction of the Boulder Canyon project. I want it to be distinctly understood that if I could have my way about it not one dollar would be appropriated in this bill to build the Hoover Dam. The State of Arizona has challenged the constitutionality of the act of Congress which authorizes this appropriation, and I do not believe that any money should be expended until the Supreme Court has passed upon that fundamental question. However, that very issue was presented to the House of Representatives by the Congressman from Arizona [Mr. DOUGLAS], and the House has voted to retain the Hoover Dam appropriation in this bill, notwithstanding the existence of Arizona's suit in the Supreme Court.

It would be vain and fruitless for me to make a motion to strike out the entire appropriation even if I knew that there were votes enough in the Senate to secure its adoption, which I very well know there are not. The House having acted, the item is in the bill, and, backed as it is by all the power and influence of the President, will remain there and be a part of this proposed act of Congress whenever it shall become a law.

I did all that was within my power, even to the extent of engaging in what was called a filibuster, to prevent the passage of the Swing-Johnson bill, which authorizes this appropriation. At the last session of Congress I opposed the first appropriation to commence construction at Boulder Canyon until a motion for cloture was filed to force a vote in the Senate. I have not modified my opposition to the entire scheme in the slightest degree and never shall until full and complete justice shall be done to my State.

Mr. President, I am in receipt of a letter from the Secretary of the Interior calling my attention to a Budget estimate upon which no action was taken by the House of Representatives. The letter reads as follows:

THE SECRETARY OF THE INTERIOR,
Washington, January 8, 1931.

Hon. CARL HAYDEN,
United States Senate.

MY DEAR SENATOR HAYDEN: The department included in the draft of the 1932 appropriation bill now pending in the Senate an item of $50,000 for investigations of the proposed Parker-Gila Valley project, such investigations being authorized by section 11 of the Boulder Canyon project act. This item was approved by the Budget and struck out in the House. The question of whether or not this investigation is to be made is a matter for the determination of Congress. I am calling your attention, however, to the department's action in this matter, in view of the complaint made during debate on the deficiency bill last spring to the effect that the department had failed to carry out the purpose of section 11.

Very truly yours,

RAY LYMAN WILBUR.

The Senators who were then present will remember that at the last session of Congress, when the original appropriation for commencing the construction of Boulder Dam was under consideration, I offered an amendment appropriating $250,000 for investigation of the Parker-Gila project. The text of the amendment was:

For studies, surveys, investigations, and engineering to determine the lands in the State of Arizona that should be embraced within the Parker-Gila Valley reclamation project as authorized by section 11 of the Boulder Canyon project act, $250,000.

The Department of the Interior submitted no estimate through the Budget for any money to make an investigation of that character. It was my complaint of that neglect to which the Secretary of the Interior refers in his letter to me. No action on the subject was taken by the House of Representatives. I offered the amendment, which was authorized by law, and it was adopted by the Senate. My reason for doing so, as stated at the time, was that if the Boulder Canyon project was undertaken there would be impounded a large quantity of water in the Colorado River, estimated to be an average of about ten and a half million acre-feet each year. Of that amount a large part would ultimately be appropriated for beneficial uses in the State of California, but there will be a substantial remainder which, if not used in the United States, would be used to irrigate lands in Mexico. I urged, in order that a way might be found to utilize the stored water of the Colorado River in our own country for the benefit of our own people, that this investigation be promptly undertaken. I want to direct attention to two tables, heretofore printed in the CONGRESSIONAL RECORD, which show the Arizona proposal with respect to a division of water and the historic basis upon which that division was arrived at.

The PRESIDING OFFICER. Without objection, the tables will be printed in the RECORD.

The tables referred to are as follows:

Based on 10,500,000 acre-feet of water of main stream after eliminating Gila and all other tributaries

	A-3	B-3—Next 1,000,000, divide 50-50	Surplus—Next 2,000,000, divide 50-50	Total
California	4,400,000	500,000	1,000,000	5,900,000
Arizona	2,800,000	500,000	1,000,000	4,300,000
Nevada	300,000			300,000
Total				10,500,000

Dividing Mexican burden 800,000 acre-feet between Arizona and California out of main stream

Leaves—	
California	5,500,000
Arizona	3,900,000
Nevada	300,000
Out of the main stream, Mexico	800,000
Total	10,500,000
Imperial Valley	4,000,000
Blythe, etc	400,000

Metropolitan District	1,100,000
Total	5,500,000
Imperial Valley now	2,600,000
New water	1,400,000
Total	4,000,000

1/26/30. J. M. R.—C. B. W.

(The above is a true copy of the "yellow slip" made at Reno, Nev., by Ward & Heffner.)

Proposal and findings of governors

Governor Young's proposals to Denver conference (August, 1927)	Findings of the upper basin governors (August, 1927)	The Boulder Canyon project act (December, 1928)	Arizona's present position
1. To Arizona, her tributaries, except such waters reaching the main stream.	Same	1. To Arizona the Gila River except such waters reaching the main stream.	To Arizona her tributaries, including the Gila, except such waters reaching the main stream.
2. To Nevada, 300,000 acre-feet of 3a water.	Same	Same	Same.
3. The balance of 3-a water; to Arizona 223,800 acre-feet perfected rights; to California 2,159,000 acre-feet perfected rights; balance divided equally between States, or Arizona, 2,637,400; California, 4,562,600.	Arizona, 3,000,000; California, 4,200,000.	Arizona, 2,800,000; California, 4,400,000.	Arizona, 2,800,000; California 4,400,000.
4. 3-b water in main stream divided equally between California and Arizona.	Given to Arizona to be supplied from tributaries.	Not mentioned	Divided equally between California and Arizona.
5. Surplus water in main stream divided equally between California and Arizona.	Same	Same	Same.
6. Mexican burden not mentioned.	Same	One-half burden of lower basin to be borne by Arizona and one-half by California.	Same.
7. Limitation on Arizona's time to use water, 20 years.	No limitation	No limitation	No limitation.

NOTE.—The documents referred to are part of the record of the Denver proceedings, the Boulder Canyon project act, and the minimum Arizona requirements.

Mr. HAYDEN. It will be observed from the first table that the State of Arizona would obtain the right to use 3,900,000 acre-feet of water out of the main stream of the Colorado River upon lands within its borders.

My amendment for an appropriation of $250,000 was adopted by the Senate; it went over to the House of Representatives, and was there rejected. I wish to read very briefly to the Senate the reasons given by Members of the House of Representatives for its rejection. Their statements appear in the hearings on the pending Interior Department appropriation bill on page 325. I read from the statement of Mr. CRAMTON, omitting the first part of it, because he was under the mistaken impression that the Interior Department had submitted a Budget estimate for an appropriation for an engineering investigation of the Parker-Gila project. Mr. CRAMTON said:

It was felt by our committee at that time, this expenditure being authorized only as a sort of effort to satisfy Arizona, to compensate them, that in the remote contingency that their litigation did result in the destruction of the Boulder Canyon project, the consideration for this compensation would have failed; and hence it would be time enough to make appropriations for the Parker-Gila project when Arizona ceased to contest in the courts, or the courts decided against her, and the building of Boulder Dam was a certainty.

Then Mr. TAYLOR, of Colorado, another member of the subcommittee, made this statement:

Mr. TAYLOR. Or, in lieu thereof, that the State of Arizona should come in and sign the 7-State compact and recognize the rights of the four upper States. If Arizona would do that officially, then the upper States would be perfectly safe in allowing that appropriation to go in; but that was the reason that I so vehemently objected to that provision being put in the second deficiency bill in the last session of Congress, and the conference committee finally stood by me and struck it out of the bill.

I said it was an utter act of bad faith on their part while they were attacking the validity of the act itself, and trying to get an appropriation ahead of the four upper States for 600,000 acres of land out of the Colorado River, not out of the Gila; that it would come directly out of the 7,500,000 acre-feet of priority rights of the four upper States. I said that Senate amendment was the most outrageous exhibition of colossal nerve, brazen-faced effrontery, and monumental gall that I had ever seen in a piece of legislation.

Doctor MEAD. We will not argue that with you; but we would like those of you who are withholding their appropriation to get our hands out of the trap by amending this act, which requires the Secretary to report his findings, conclusions, and recommendations regarding such project to Congress not later than December 10, 1931.

In effect, the letter to me from the Secretary of the Interior of January 8, 1931, that I have read to the Senate asks me to get his department's hand out of this trap. I do not feel that I should be called upon to take that action. I can not do so, first, because the estimate of $50,000 is wholly inadequate; $250,000 a year would be a moderate sum to undertake an investigation of the possibilities of irrigating approximately 800,000 acres of land in Arizona with water from the Colorado River. It is my belief that a $50,000 appropriation would result in a mere half-hearted and superficial study of the feasibility of this great Arizona project. My second objection is that if the interests of the United States are to be adequately protected against future appropriations of water by Mexico, this investigation must be made by a Secretary of the Interior and a commissioner of reclamation who are earnestly and sincerely seeking to find practicable means of utilizing all of the impounded waters of the Colorado River exclusively within the United States.

I would not say that any Member of Congress is so unpatriotic and un-American as actually to prefer to see lands brought under cultivation in a foreign country rather than to have the same area reclaimed in his own country to provide homes for people of his own race. Yet that is the effect of a denial of an appropriation to investigate the possibility of the use of water in Arizona, which is the only State in the Union where it can be utilized if the same water is not to be used in Mexico. The people of Arizona are bluntly told that they must go under the yoke; that they must do exactly what has been demanded of them by six States and the Federal Government or not a cent of money will be expended to determine what lands in their State can be irrigated with water from the Colorado River. Those who have refused to agree that Congress shall make such an appropriation know full well and beyond question that Mexico will be the sole beneficiary of their action; yet such is their unreasoning hostility to Arizona that they have insisted upon following that un-American course.

Arizona can make but one answer to such an argument, and that is what we said last year and what we repeat now. All those who feel that way about it can go to a place that is reputed to be perpetually hotter than this, and Arizona will rely upon the Supreme Court for her protection.

In order that the American people generally may know of the earnest effort, of the sincere effort, of the honest effort made by the State of Arizona to arrive at an equitable and just settlement of the Colorado River controversy, I ask leave to include in the RECORD the final report of the Arizona Colorado River Commission, submitted on December 31, 1930. I shall quote only a very brief extract from it, which, to my personal knowledge, is a statement of the truth, the whole truth, and nothing but the truth. I read:

It is impossible to overestimate the importance of Arizona's rights and interests in the Colorado River and its development. In the protection of those rights and interests we are forced to fight the tremendous wealth and political power of the great State of California which, for the present at least, enjoys the complete and unquestioning support of the national administration at Washington. Thus far our commission has seen no evidence that the administration is interested in the merits of our controversy with California, or is disposed to have the controversy settled by a just and equitable compact.

All that has come from the national administration by way of constructive suggestion is to be found in the reiterated thought of the honorable Secretary of the Interior, that in the development

of the Colorado River State lines should be obliterated and State rights ignored. Viewing the Colorado River Basin as a single economic unit, he criticizes attempts "to operate political units," or "determine the functions of States" therein, or "to distinguish between the activities of various branches of the National Government." In short, in approaching this great problem, the Secretary of the Interior appears to resent Arizona's insistence upon her rights as a member of the United States, and is not disturbed by Arizona's assertion that the judicial branch of our Government has regulatory powers over the executive branch.

I ask to have the entire report printed in the RECORD.

The PRESIDING OFFICER. Without objection, that will be done.

The report is as follows:

FINAL REPORT OF COLORADO RIVER COMMISSION OF ARIZONA, FEBRUARY 5, 1929–DECEMBER 31, 1930

ORGANIZATION OF COMMISSION

The present Colorado River Commission of Arizona was created under and by authority of chapter 3, Laws of Arizona, 1929, adopted February 4, 1929. This law reduced the number of commissioners from eight to four; the governor was made an ex officio member thereof, and three commissioners to be appointed. The commissioners appointed were Charles B. Ward, John M. Ross, and A. H. Favour. These commissioners qualified and organized on February 5, 1929, Commissioner Ward being elected chairman and Commissioner Ross as secretary.

The commission first conferred with the members and advisors of its predecessor commission in order to become fully informed as to what had gone before and as to the views and recommendations of those commissioners and advisors.

EFFORTS TO COMPACT

The first duty imposed upon the commission by chapter 3, Laws of 1929, was to enter into negotiations with the other Colorado River States with a view to effecting an amicable and equitable agreement, settling the Colorado River dispute. With this object in view, the commission did confer with the official representatives of the other States interested in the Colorado River, and the representative of the United States Government, Col. William J. Donovan, at meetings which were held during the year 1929 as follows: At Santa Fe, N. Mex., from February 14 to March 8; at Los Angeles from March 18 to 20; at Los Angeles from April 4 to 7; at Yuma, Ariz., from April 20 to 21; at Washington, D. C., from May 31 to June 27; at Salt Lake City, Utah, from August 26 to 31; at Los Angeles from September 29 to October 3; and during the year 1930 at Reno, Nev., from January 18 to 29; at Phoenix from February 6 to 9; and Los Angeles from March 8 to 10. Individual members or the entire commission made other trips to Yuma and Kingman and other cities of this State, and to Los Angeles and Denver in attending to river matters.

The conferences were attended by the official representatives of the lower basin States, and representatives of the upper basin States attending from time to time as unofficial observers. The United States representative was Col. William J. Donovan who acted as chairman during the entire period. In these several conferences our commission endeavored to arrive at an equitable agreement, settling the questions of water, power, and revenue involved in the Colorado River problem, but these efforts were entirely unsuccessful.

In the matter of water division our commission took as the foundation of its efforts the upper basin governors' findings at the conference of the seven Colorado River States at Denver, Colo., in 1927. At that conference the upper basin governors had arrived at what they considered to be a fair division of the water. This had been accepted, in principle, by Arizona, but California had refused to accept it.

CALIFORNIA WATER DEMANDS

At that conference California's minimum demands had been specifically stated in her behalf by her governor, Hon. C. C. Young, to be 4,600,000 acre-feet of the apportioned water. It quickly developed in our conferences that California had greatly increased her water demand above that so stated by Governor Young and insisted that she must have a minimum of 5,800,000 acre-feet of apportioned water. Based on a demand of California for 4,600,000 acre-feet of the water apportioned to the lower basin States by the Santa Fe compact, Arizona would receive 3,600,000 acre-feet of apportioned water. The increased amount that California demanded at our conferences, if accepted, would have reduced Arizona's apportionment to a point which would not permit any considerable new irrigation development in Arizona from the Colorado River. This departure of California from her position as stated by Governor Young in 1927, and her insistence upon this increased and impossible allowance of water, was the particular obstacle that made it wholly impossible for this commission to reach a settlement by agreement.

In our numerous conferences it became apparent that California's increased water demand had been brought about by the ambitious desires of the Imperial and Coachella Valleys, which, in the intervening time, had come to the conclusion that they required much more water than appeared necessary in 1927 for their large development program in these two valleys. If California succeeds in taking the water which they now plan to divert through the proposed all-American canal, the great Parker-Gila project in Arizona will be put on the shelf for all time, a project involving an irrigated development at least double the area embraced by the Salt River Valley project.

ARIZONA'S POSITION IN WATER

Throughout the conferences we stated Arizona would be willing to compromise and settle the existing differences on the following fundamental principles, namely:

That the water division should be confined to waters physically present in the main stream of the Colorado River; that Arizona should be entitled to the waters of her tributary streams; that the waters of the Gila should be in no way involved in any water division, but should belong wholly to Arizona; that the water intended to be apportioned to the lower basin by the Santa Fe compact should be divided in this manner: 3,500,000 acre-feet to Arizona, 4,700,000 acre-feet to California, and 300,000 acre-feet to Nevada, and the surplus water to be divided equally between Arizona and California; that any Mexican burden resting upon the lower basin should be shared equally by Arizona and California from main-stream waters, and that the all-American canal, if constructed, should not carry any water to or for the use of lands outside of the United States.

The provision concerning the all-American canal was insisted upon to protect the Yuma project against the announced plan of the Imperial and Coachella Valleys to divert the Mexican water through the canal, appropriating to themselves the hydroelectric value of these waters to the exclusion of the Yuma project which has prior rights and equities therein.

California either denied the justice of these several demands in toto, or qualified them to such an extent that it was quite impossible for Arizona even to approach an understanding. Our conferences finally resulted in a complete failure to arrive at any settlement of our differences.

ARIZONA'S REVENUE REQUIREMENTS

While our commission always regarded the matter of water division to be the subject of primary importance, considerable time of our conferences was devoted to the discussion of the division of the benefits to be derived from the storage and sale of water, and from hydroelectric power developed by any project within or on the border of Arizona. Arizona was willing to enter into a compact covering all these benefits based on the authority provided therefore in the Boulder Canyon project act, it being specifically provided in section 8 (b) of the act that the States might enter into a compact for the equitable division of the benefits, including power arising from the use of water accruing to said States from the Colorado River. From the beginning, California took the position and maintained throughout that these were not proper matters for compact, but must be left entirely to the discretion of the Secretary of the Interior, which position Arizona could not possibly concede.

Arizona's position in regard to revenue benefits was based upon the principle that the proposed Boulder Canyon project was within and on the border of the State of Arizona, taking and using the natural resources of the State, and that the State was entitled to a revenue therefrom, especially since the project is designed chiefly to benefit Los Angeles and the surrounding cities and lands situated outside of the State of Arizona.

The principles upon which our commission was willing to compromise and settle the differences on the power and revenue questions were: That the Boulder Canyon project should be operated on the basis of competitive prices so as to provide the greatest practicable returns for division between Arizona and Nevada; that a minimum charge of $2 per acre-foot should be made by the project for the storage and delivery of water intended to be diverted to the coastal plain of southern California; that after the repayment of Government advances Arizona's and Nevada's full revenue rights in the project should be recognized and that a reasonable allotment of electric energy should be made and assured to Arizona and Nevada.

However, in the discussion of the power question, we never got beyond the initial and fundamental difference above mentioned, namely, that California consistently denied Arizona's right to compact concerning those matters and insisted that they should be left to the discretion and judgment of the Secretary of the Interior, which Arizona was unwilling to concede.

Your commission conscientiously and earnestly endeavored to settle the differences between California and Arizona by compromise, viewing this question from the standpoint of the rights of the State, and we feel that if the commissioners of our sister States had been representing the interests of the State of California rather than sectional and local interests therein all questions at issue would have been adjusted by interstate compact.

ADVISORS AND COMMISSIONERS

Our conferences were cordial and pleasant, and, while we were unable to arrive at an agreement, we concluded our conferences with feelings of respect for all of the representatives of our sister States and were convinced that, although we could not agree with the California commissioners, they had conscientiously maintained what they believed to be within the rights and for the best interests of the State which they represented.

Your commission desires to express its appreciation of the advice and counsel given to us in our various conferences by the official representatives of the upper basin States, Hon. John A. Whiting, representative of Wyoming; Hon. Delph E. Carpenter, representative of Colorado; Hon. W. W. Ray and Hon. William R. Wallace, representatives of Utah; Hon. Francis C. Wilson, representative of New Mexico; Mr. Thomas F. Cole, advisor of Nevada; and Hon. L. Ward Bannister, who attended the conferences in behalf of the city of Denver.

Your commission particularly wishes to express its deep appreciation of the able and unselfish services rendered at these conferences by Col. William J. Donovan, the Federal representative. His fairness and diplomacy as chairman of the conferences were of the highest order.

The conference at Reno, Nev., in January, 1930, was held at the particular request of the Secretary of the Interior, and Hon. CARL HAYDEN, our junior United States Senator, attended that conference at the request of our governor to act as special advisor to our commission. Although burdened with the duties of a congressional session at Washington, Senator HAYDEN arranged for an absence, came to Nevada, and advised us during the entire period of that conference and later attended the adjourned session at Phoenix, all continuing through a period of almost a month. His attendance and participation were of the greatest possible assistance to us. In a like manner and under the same circumstances the conference had the benefit of the presence of Senator KEY PITTMAN, of Nevada, who acted as special advisor for that State.

In connection with the technical phases of the problems under consideration our commission employed Mr. C. C. Cragin, an outstanding hydroelectric engineer, who is competent and well qualified, and whose services were invaluable in the negotiations carried on by your commission.

Also from time to time your commission enjoyed the benefits of the valuable counsel and assistance of Clifton Mathews, Esq., John L. Gust, Esq., Mr. A. M. Crawford, Mr. F. A. Reid, and Mr. R. E. Tally, all of whom acted in that behalf without compensation. The commission at all times has enjoyed the complete cooperation and assistance of Hon. K. Berry Peterson, attorney general of Arizona, who personally attended the principal conferences and many of our meetings and freely contributed his time and energy to the work under consideration.

LEGAL ASPECTS

The act under which the commission was appointed authorized your commission to undertake such legal proceedings as might be necessary to protect the rights of the State of Arizona. Pursuant to this authority, and when it became apparent that settlement by agreement was improbable, your commission, with the attorney general's authority and approval, and after careful consideration and competent advice, in May, 1929, employed John P. Gray, Esq., of Coeur d'Alene, Idaho, one of the outstanding lawyers of this country, living in the West, to act as special legal advisor, being designated as special assistant to the attorney general.

In the same connection and for the same purpose, your commission was fortunate in being able to secure the services of Clifton Mathews, Esq., of Globe, Ariz., who had been employed by our predecessor commission as special legal advisor. Messrs. Gray and Mathews, in association with the attorney general, immediately entered upon a painstaking and careful study of all the legal questions involved, preparatory to the institution of legal proceedings if that should become necessary.

Thereafter, while on a trip to Arizona at the request of this commission, Mr. Gray contracted a serious illness from which he has not yet recovered. It was with deep regret that, because of that illness, we were obliged to release him from his employment. We feel that Arizona is under great obligation to Mr. Gray because of his thorough study of the questions involved, his fair dealings, his generous attitude in the matter of his employment, and for the able assistance which he rendered during the period thereof. After Mr. Gray's retirement the work was carried on by the attorney general and Mr. Mathews until the summer of 1930. At that time, with the authority and approval of the attorney general, your commission employed the very able law firm of Covington, Burling & Rublee, of Washington, D. C., and particularly Dean Acheson, Esq., a member of that firm, to act with the attorney general and Mr. Mathews in representing the interest of Arizona.

FIGHT AGAINST CONGRESSIONAL APPROPRIATION

In May, 1930, the United States Congress had under consideration the request of the Secretary of the Interior for an initial appropriation for the Boulder Dam project. Your commission was then requested by Senators HENRY F. ASHURST and CARL HAYDEN and Congressman LEWIS W. DOUGLAS to come to Washington to assist them in opposing that appropriation. Such an appropriation, if made, would be the first step toward rendering the Boulder Canyon project act effective as an invasion of the rights of Arizona in the Colorado River.

Pursuant to that request, this commission, with its engineering expert, Mr. C. C. Cragin, went to Washington, D. C. The chief fight came before the House Committee on Appropriations. Congressman LEWIS W. DOUGLAS led the opposition. He had prepared his case well, and ably presented it. It was not until the entire force of the administration was brought to bear that the committee, by a narrow margin, recommended the appropriation. Our fight was then transferred to the Senate, where in spite of the vigorous protests of Arizona's Senators the appropriation was approved.

Thereupon your commission, with the approval and authority of the attorney general, employed counsel to appear before the Comptroller General of the United States in opposition of the expenditure of moneys pursuant to the appropriation. The Comptroller General ruled against us and it then became necessary for Arizona to institute legal proceedings for which preparation had already been made.

ACTION IN SUPREME COURT

Accordingly, on October 6, 1930, the attorney general with his special assistants, applied to the Supreme Court of the United States for leave to file an original bill, wherein the State of Arizona was complainant and the States of California, Utah, Nevada, New Mexico, Colorado, Wyoming, and the Secretary of the Interior were defendants. That permission was thereafter granted and the defendants are now required to appear and answer the bill by January 12, 1931. In this bill in substance the State of Arizona asks that the Boulder Canyon project act be declared unconstitutional and also that the Santa Fe compact be declared unenforceable against the State of Arizona.

RECOMMENDATIONS

It is impossible to overestimate the importance of Arizona's rights and interests in the Colorado River and its development. In the protection of those rights and interests, we are forced to fight the tremendous wealth and political power of the great State of California which, for the present at least, enjoys the complete and unquestioning support of the national administration at Washington. Thus far our commission has seen no evidence that the administration is interested in the merits of our controversy with California, or is disposed to have the controversy settled by a just and equitable compact.

All that has come from the national administration by way of constructive suggestion is to be found in the reiterated thought of the honorable Secretary of the Interior, that in the development of the Colorado River State lines should be obliterated and State rights ignored. Viewing the Colorado River Basin as a single economic unit, he criticizes attempts "to operate political units," or "determine the functions of States" therein, or "to distinguish between the activities of various branches of the National Government." In short, in approaching this great problem, the Secretary of the Interior appears to resent Arizona's insistence upon her rights as a member of the United States and is not disturbed by Arizona's assertion that the judicial branch of our Government has regulatory powers over the executive branch.

Faced as we are by this fight against such powerful opposition, it is gratifying to note that the public press of our country, in spite of California's prodigal and persistent propaganda, is beginning to see the Boulder Canyon project in its true light as a gratuitous Federal subsidy for the sole development of southern California; as an attempt, under the pretense of improving navigation of a nonnavigable stream, to authorize California to divert substantially all of the available water of that stream for use outside its natural drainage basin; as a national expenditure for the sole purpose of transferring to one State the beneficial use of the greatest natural resource of a sister State; as an edict from Washington that Arizona's arid acres, irrigable from the Colorado River, shall forever remain desert in order that less valuable acres in Imperial and Coachella Valleys may be made fruitful.

Up to this time your commission and its legal advisers have deemed it necessary only to attack the constitutionality of the Boulder Canyon project act and the validity of the Santa Fe compact. Beyond that we have not yet felt required to litigate. We are hopeful that the outcome of the present suit may render further litigation unnecessary.

However, there are several other major litigations which, in the course of time, soon or late, Arizona may be required to undertake, especially with regard to the use and division of water from the stream, and the respective rights of the several States therein. It is of the highest importance to every citizen of Arizona that the State shall provide the proper machinery and the necessary funds for the full protection and defense of Arizona's vast stake in Colorado River development.

Your commission feels that the law under which it has been acting is a practical measure and that Arizona's rights in the river would be looked after by the continuation of a Colorado River commission acting along the lines and with the powers and duties of the present one.

APPROPRIATION REQUIRED

Your commission recommends that the litigation undertaken be vigorously prosecuted and that the new commission and the attorney general be supplied with ample funds with which to prepare and prosecute the pending action and any other that may be deemed advisable to be undertaken. At this time we advise that an appropriation for this purpose be made in the amount of $250,000.

Governor Hunt and a new commission will carry on this important work after January 5, 1931, as on that day the office of the present commission expires by mandate of the law. We shall, however, hold ourselves ready to assist the new commission in this work and give the new commissioners the benefit of any information we may have obtained should we be called upon.

Finances

Funds available to commission:

When your commission took office there was available the balance of the appropriation made by chapter 37, Laws of 1927	$16,367.63
Less claims unpaid of	3,370.30
From chapter 37, Laws of 1927, received by present commission, net	12,997.33
From chapter 104, subdivision 70, Laws of 1929	50,000.00
Total funds received	62,997.33

Funds disbursed by commission:

Legal expense—		
Attorneys' fees	$30,000.00	
Attorneys' travel, hotel and miscellaneous	3,963.18	
Stenographer for attorney general	650.00	
		$34,613.18
Engineering expense—		
Engineers' services	8,516.00	
Engineers' travel, hotel and miscellaneous	1,148.04	
		9,664.04
Advisors' travel and hotel		549.75
Telephone, telegraph, printing, supplies, postage, and sundries		1,867.05
Stenographers for commission		456.24
Commissioners' travel, hotel, and expense of meetings and conferences		7,211.54
Claims outstanding, estimated		250.00
Total funds disbursed		54,611.80

RECAPITULATION

Total funds received	62,997.33
Total funds expended	54,611.80
Balance in river fund	8,385.53

Respectfully submitted.

CHARLES B. WARD,
JOHN M. ROSS,
A. H. FAVOUR,
Commissioners.

Dated December 31, 1930.

Mr. HAYDEN. Mr. President, that brings me to a consideration of the fact that the administration, having indorsed the construction of the Hoover Dam and having used all of its influence to bring about the building of that great structure and the power plants that go along with it, must assume responsibility for what will happen after the project is completed.

I desire to direct the attention of the Senate very briefly to the report made by the senior Senator from California [Mr. JOHNSON] when the Swing-Johnson bill was before the Senate, which contains this statement:

> It is extremely doubtful if there is sufficient water in the river for all land susceptible of irrigation, including lands in Mexico. Because of physical conditions, Mexico, under present arrangements, can develop much more rapidly in the future than can the lands in the United States. Its lands are near the river and irrigation work is inexpensive.
>
> If Mexico obtains water for its full development, it seems almost certain that a somewhat similar area in the Colorado River Basin in the United States, that otherwise would be reclaimed, will forever remain a desert.

That same doubt and warning is repeated in the findings of a report made upon the Colorado River Boulder Dam project which appears in House Document No. 446, Seventieth Congress, second session, by board of engineers consisting of Maj. Gen. William L. Sibert, chairman, Charles P. Berkey, Daniel W. Mead, Warren J. Mead, and Robert Ridgway, which reads as follows:

> While much land has already been brought under irrigation on the Colorado River delta in Mexico, it is evident that such development has been retarded by the lack of water available from the river during low-water periods. The storage of flood waters in the Black Canyon Reservoir and its release during low-water seasons will make more water available in Mexico and will invite immediate expansion in irrigated acreage in that country. With the limited water supply available from the Colorado River, every acre permanently irrigated in Mexico will mean that an acre in the United States can not be irrigated. Such a limitation on lands would result in a corresponding limitation on possible income. It is the opinion of the board that it is of much economic importance in this project that an agreement limiting the amount of water assignable to Mexico should be made prior to the completion of the Boulder Canyon project.

Pursuant to an act of Congress approved March 3, 1927, there was appointed a commission to undertake the negotiation of a treaty with Mexico for an equitable apportionment of the waters of the Rio Grande, the Colorado, and the Tia Juana Rivers. The report of that commission, dated March 22, 1930, has recently been published in a large volume. We find that the American commissioners—Dr. Elwood Mead, Commissioner of Reclamation; Gen. Lansing H. Beach; and Mr. W. E. Anderson, of Texas—endeavored in every manner possible to make a treaty with Mexico, but without result.

The Mexican commissioners, whose demands appear in this report, asked for 3,600,000 acre-feet of water out of the Colorado River. They are now using about 600,000 acre-feet out of the natural flow of that stream. They ask for 3,000,000 acre-feet in addition, which can only come from the flood waters impounded by the Hoover Dam. They ask for this water as a matter of right. They make no proposal of any kind to pay for the storage of this water. If the Mexican demand is granted, not another acre of land in the State of Arizona can be irrigated out of the Colorado River.

To show the nature of these international negotiations, I ask leave to include in the RECORD at the end of my remarks the various proposals and counterproposals made by the American and Mexican sections of the commission, together with a very interesting summary of the interpretations of the various treaties between the United States and Mexico prepared by an engineer of the commission, Mr. Karl F. Keeler.

The PRESIDING OFFICER. Without objection, that will be done.

(See Exhibit A.)

Mr. HAYDEN. The commission which made this report has ceased to exist. Its functions have been taken over by Mr. L. M. Lawson, the commissioner appointed by the United States to adjust certain land disputes with Mexico. The President sent to the Senate, on January 9, a message approving a request made by the Secretary of State for an appropriation of $287,000 to continue the work of negotiations with Mexico. Accompanying that message is a letter from the Secretary of State justifying the appropriation. I ask that the letter also be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, that will be done.

(See Exhibit B.)

Mr. HAYDEN. My colleague the senior Senator from Arizona [Mr. ASHURST] referred very briefly to an editorial which appeared this morning in the Washington Post, and, in answer to the legal arguments contained therein, asked to have included in the RECORD an opinion by Judson Harmon, former Attorney General of the United States. The only comment that I care to make is that the editorial is based upon the theory that riparian rights exist both in Mexico and in the United States on the Colorado River. Such is not the fact. The constitution of the State of Arizona provides that—

> The common-law doctrine of riparian water rights shall not obtain or be of any force or effect in the State.

The utter abolition of the doctrine of riparian rights is a principle of law that Arizona obtained from Mexico, and Mexico from Spain, and the Spaniards from the Moors. The doctrine of appropriation to beneficial use, that the first in use shall be first in right, is completely at variance with the principle of riparian rights, which is not in force upon the Colorado River, either in Arizona or in Mexico. It is the desire of both countries not to maintain the flow of the stream to the sea but to dry it up by diverting its flow for irrigation.

The commission to whom I have referred, consisting of Doctor Mead, General Beach, and Mr. Anderson, concluded their report—which was transmitted to Congress on April 21, 1930—with this recommendation of suggested action:

> It is already apparent that the needs in the United States for Colorado River waters are destined to be much greater than has been realized in the past, and probably greater than can be fully estimated or appreciated at present. Stability in development and peaceful relations on both sides of the boundary require further efforts to reach an agreement as to policies and as to the limits which will govern the recognition of rights to water across the boundary.
>
> In the absence of any agreement as to principle governing the division of water across the international boundary, it is believed that the position which the United States holds with regard to such division, and the recognition of rights in either country to water across the boundary, should be officially stated and notice given to Mexico through the appropriate channel. The interests of both countries will be served by an early agreement as to the extent to which existing uses of water on both the Rio Grande and Colorado on both sides of the international boundary are to be recognized, but in the absence of such agreement it is believed

that the United States should give notice to Mexico that no rights to water in the Colorado based on future development and extension of existing uses will be recognized until an agreement covering all three streams has been reached

That commission, after studying the controversy with Mexico intensively and with diligence, arrived at the same conclusion that the people in Arizona have maintained for a number of years. In proof of that I ask to have included in the RECORD a memorial unanimously adopted by the Seventh Legislature of the State of Arizona in 1925, requesting that similar action be taken.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

Senate Joint Memorial 3

To His Excellency the President of the United States; to the honorable Secretary of State; and to the Senate and House of Representatives of the Congress of the United States:

Whereas a portion of the low-water flow of the Colorado River is now being put to use in the irrigation of lands in the Republic of Mexico, and there are large additional areas, variously estimated both as to extent and as to feasibility, which might be reclaimed through the use of the waters of the Colorado in the event that its flood waters were impounded and its floods thereby controlled; and

Whereas it is essential to the preservation and protection of American homes, American property, and American lives that such flood waters be impounded and its floods controlled, without unnecessary delay; and

Whereas in the event that such waters, or any portion of them, which may hereafter be impounded on American soil by reason of such impounding may temporarily pass into the Republic of Mexico in a more or less regulated flow, should be applied to a beneficial use on Mexican lands there might arise, in the absence of a definite declaration of policy with respect thereto, on the part of the United States, a certain moral claim to their continued use, and, as a matter of international comity, a recognition of such claim might seriously be considered; and

Whereas it appears from authentic information and data that there is a sufficient amount of arid land within the United States susceptible of practical reclamation by means of the waters of the Colorado to utilize all of the waters of said river; and

Whereas to deprive these lands of such waters would be manifestly an act of injustice to the people of the United States, and particularly to the citizens of the States of the Colorado River Basin, and would constitute an irreparable economic loss to this country:

Wherefore your memorialist, the Seventh Legislature of the State of Arizona, prays that by appropriate legislative action on the part of the Congress of the United States, to be taken prior to or in connection with the enactment of any legislation providing for the development of the Colorado River, the policy and purpose of the United States be announced and declared of reserving for use within the boundaries of the United States of all waters of the Colorado River which may be stored or impounded within the United States, to the end that the Republic of Mexico, its citizens, and the owners of Mexican lands may have direct and timely notice and warning that the use by them of any of such waters as may temporarily flow into Mexico shall establish no right, legal or moral, to their continued use; and

Your memorialist further prays that in any treaty, convention, or understanding between the United States of America and the Republic of Mexico which may hereafter be agreed upon or undertaken, said policy be strictly and steadfastly adhered to.

And your memorialist will ever pray.

Mr. HAYDEN. I also ask leave to print extracts from a minority report which I submitted to the House of Representatives on the Swing-Johnson bill, H. R. 9826, on January 12, 1927.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

In the absence of a treaty providing for an equitable apportionment of the waters of the Colorado River between the United States of America and the United States of Mexico the construction of a dam to completely control the floods of that stream, as proposed by this bill, will, by equating its flow, assure a supply of water sufficient to irrigate approximately 1,000,000 acres in that Republic without any obligation upon the part of the owners of Mexican lands to pay for that huge benefit. The right to this water when once acquired by beneficial use in Mexico will completely exhaust the available water in the Colorado River, so that 1,000,000 acres of land which could otherwise be irrigated in Arizona must remain in the desert forever.

The 1,000,000 acres in Mexico to be furnished water without cost, if this bill is enacted, will in the near future, with cheap labor, produce large crops of cotton and other agricultural commodities to be marketed in the United States in competition with the products of American farms. It is admitted that the equivalent area in Arizona can not be successfully reclaimed from the desert until the increase in population of the United States and higher prices for agricultural products creates a demand for more homes and farms. That time may not soon arrive, but Arizona as a State and the United States as a Nation should now safeguard the future rather than permit a foreign country to reap incalculable and permanent benefits from funds contributed by American taxpayers.

Mr. HAYDEN. I appeared before the Committee on Rules of the House of Representatives when a special rule was sought to bring the Swing-Johnson bill up for consideration, and again urged that notice be given to Mexico before construction was started on the Boulder Canyon project. I ask leave to have included in the RECORD an extract from my remarks.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

IRRIGATED LANDS IN TEXAS

I want to speak frankly to the committee about one phase of the international situation which is at least peculiar. There are certain persons, residents of the State of Texas, urging the passage of this bill for the reason that they believe that impounding the waters of the Colorado River at Boulder Canyon will in some way benefit them by obtaining additional water from Mexico on the lower Rio Grande. All of the watershed of the Colorado River is within the United States, but some of the water is used for irrigation in Mexico. On the lower Rio Grande the water supply comes from Mexican tributaries of that stream and is used to irrigate land in the United States. The people living in the delta of the Rio Grande in Texas with whom I have talked desire certainty as to their water supply. That certainty can only be obtained by treaty with Mexico. Some of them have been led to believe that they can get the benefits of a more favorable treaty if the Boulder Canyon Dam is built.

It is my contention that the construction of the Boulder Canyon Dam as provided in this bill will delay the time when any treaty relating to the boundary waters can be made with Mexico. Without notice of the intention of the United States to use the waters of the Colorado River, the Mexicans have everything to gain by putting water on as much of their land as they can. Therefore they will delay making any kind of a treaty until all of the land in Lower California is under cultivation.

With a notice to Mexico, the burden is promptly transferred to that Republic to make a treaty. Such notice will do more than anything else to bring about a treaty. Nothing is to be gained for anyone in Texas by the passage of this bill in its present form. Upon the contrary, its enactment will positively injure them. This bill should therefore be amended in the following manner:

"That until such time as a treaty between the United States of America and the United States of Mexico providing for an equitable apportionment of the waters of the Colorado River is ratified by the Governments of both Nations, it is hereby declared to be the policy and purpose of the Government of the United States of America to reserve for use within the boundaries of the United States of America all waters of the Colorado River which may be stored or impounded therein, to the end that the Government of the United States of Mexico, the citizens of that Republic, and the owners of Mexican lands may have direct and timely notice and warning that the use by them of any such waters as may temporarily flow into Mexico shall establish no right, legal or moral, to the continued use of such waters."

Mr. HAYDEN. This subject is familiar to the President of the United States, who, in his official capacity, would be the one to give the required notice to Mexico. As Secretary of Commerce, Mr. Hoover appeared before the Senate Committee on Irrigation and Reclamation in December, 1925, I ask to have included in the RECORD some questions propounded to him by the Senator from Washington [Mr. JONES] and his replies thereto.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

Senator JONES of Washington. It is urged that if the Boulder Dam is constructed, the amount of water that will be stored will be far greater than will be used for reclamation purposes and power purposes for quite a good while, and that necessarily a great deal of it will go down into Mexico. And it is suggested that if it goes down into Mexico it will be put to beneficial use by our southern neighbor, and that lands down there will be reclaimed and very likely in the future, when the matter comes up, we will have to recognize the rights of Mexico and thereby lose that amount of possible reclamation in this country.

Secretary HOOVER. I think the answer to that question is that any dams erected on the Colorado River will have the same effect so far as stabilizing the flow of water into Mexico is concerned; that this particular dam does not necessarily increase that flow over and above that of any other engineering scheme on this river. All plans are predicated on the proposition of storing the spring flood to be used in the summer, and thus stabilizing the flow of the water. I do not think that this particular plan of construc-

tion would lend itself to Mexican supply any more than any other plan.

Senator JONES of Washington. And some engineers, I think, urge very strongly the other way. Of course, I am not prepared to pass upon it. It does look to me like, however, that if you store 20,000,000 or 30,000,000 acre-feet of water in that dam—and, as I understand it, there is no other proposed dam in this plan of Mr. La Rue's that stores anything like that quantity—that if this amount is stored it is not likely to be used for quite a good many years for reclamation purposes in this country and that it will go on down into Mexico.

Secretary HOOVER. That proceeds on the hypothesis that in the treatment of Mexico for many years to come before we use most of the water it would be better to allow the flood flow to go down to Mexico, and thus deprive Mexico of any water in the dry seasons. I think if we stabilize the river at all it will be likely to increase the flow into Mexico during the low-water season.

* * * * *

If we wanted to prevent the irrigation of lands in Mexico by way of holding up the flow in the low-water season—that is, if we wanted to deliberately do that—you could do it more effectively at Boulder Dam than anywhere else, because you have a larger body of water to deal with. In a large reservoir like this we could hold back water during the summer and let it down in the winter, when they could not use it; that is, if we wanted to be malevolent.

Mr. HAYDEN. Secretary Hoover made this very significant statement:

If we stabilize the river at all, it will be likely to increase the flow into Mexico during the low-water season.

And then he said:

In a large reservoir like this we could hold back water during the summer and let it down in the winter, when they could not use it; that is, if we wanted to be malevolent.

But under the contracts that have been made by the Secretary of the Interior with the city of Los Angeles, the Southern California Edison Co., and other users of power in California we could not be malevolent, even if we wanted to, because the United States Government is bound to let water out of the Hoover Dam every day in the year in order to produce firm power which the Government by contract is obligated to deliver. Therefore the water must continuously flow from the dam. If use is not made of it in the United States, it will flow on into Mexico.

The use of Colorado River water in Mexico has been discussed before both the House and Senate Committees on Irrigation and Reclamation. I think one of the most intelligent witnesses who appeared before the House committee—the one, at least, who was most familiar with conditions in Mexico—was Mr. Harry Chandler, of Los Angeles, Calif. I ask leave to include in the RECORD some of the questions that I asked Mr. Chandler on April 25, 1924, and his replies thereto.

The PRESIDING OFFICER. Without objection, that will be done.

The matter referred to is as follows:

TESTIMONY OF MR. HARRY CHANDLER, OF LOS ANGELES, CALIF.

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Mr. CHANDLER. * * * As a matter of fact, as owners of lands in Mexico irrigable from the river, we have never lost any sleep through fear of a possible water shortage for our lands, because our observations, covering a period of more than 20 years, have brought us to believe that with an equated flow of the river, no flood water being permitted to run to waste, there will be more than an ample supply for all irrigable lands appurtenant to the river on both sides of the international line.

* * * * * * *

Mr. HAYDEN. You state that as the owner of lands in Mexico irrigable from the Colorado River, you have never lost any sleep through fear of a possible water shortage.

There is testimony before this committee, based upon the result of the studies made by the Geological Survey of the flow of the river, and as a result of the studies made by the engineers of the Reclamation Service, it is probably possible to find wholly within the United States enough land to utilize the entire flow of the Colorado River. If that were done, would it leave your land in Mexico short of water?

Mr. CHANDLER. We have observed the flow carefully and compiled some data from time to time on the flow of the river; and, while I could not mathematically prove of course—as I do not think anybody could—that there is a sufficient supply of water for all time, I and my associates together have believed since we have made our measurements and observed the uses of water, as we have had an opportunity to do in southern California for forty-odd years, that with the increased area irrigated there will be return flow enough to probably more than supply all irrigable land there is, both in Mexico and in the United States, that is appurtenant to and properly irrigable from the river.

* * * * * * *

Mr. HAYDEN. Then do I understand that you might be willing to satisfy whatever claims you have to water in Mexico from the return waters, leaving the Federal Government and the States of the Colorado River Basin to make such developments as they see fit within the basin?

Mr. CHANDLER. I have no authority, of course, to personally speak for Mexico, which would have the first and vital interest. But as far as my own personal interest goes, and having had the opportunity to observe the irrigated country and the return flow of the water that always develops, I would not have a particle of fear but what, if there was no water wasted in the Colorado River during flood periods by going into the ocean—if there were dams enough to hold back all the floods, and no water was taken out of the Colorado River watershed through the mountains and to some other watershed, I would not fear a particle any shortage of the water in the future.

* * * * * * *

Mr. HAYDEN. The desires of your company should have great weight with the Mexican authorities. If you should insist that there be some provision in any treaty for a definite amount of water for your Mexican lands, which must come down to them regardless of uses in the United States, or if you adopted the view that you were not interested because you were satisfied that the return flow would always provide an adequate supply of water, would not that probably have considerable influence with the Mexican authorities in negotiating a treaty with the United States?

Mr. CHANDLER. I presume it would; yes, sir.

Mr. HAYDEN. So far as you are concerned, you are perfectly willing that no provision be made for any reservation of any water for your Mexican lands in any treaty between the United States and Mexico?

Mr. CHANDLER. Yes, sir. I have said that a good many times—provided no flood water is wasted into the gulf and no water is diverted into any other watersheds outside of the Colorado River Basin.

Mr. HAYDEN. The possibility of diversion outside of the watershed of the Colorado River has been very carefully studied. The Reclamation Service estimates that not more than 444,000 acre-feet, out of a total flow of the Colorado River averaging over 16,000,000 acre-feet, could possibly be diverted at any reasonable economic cost. The physical facts make the conditions such that there can not be any great diversion out of the Colorado River Basin.

If complete storage of the waters of the Colorado River is made at American expense for the purpose of irrigating lands in the United States, and land can be found in the United States where the entire flow might be originally utilized, is it your belief that there will be enough return water from the American lands to take care of the lands that you have in Mexico?

Mr. CHANDLER. Yes, sir.

Mr. HAYDEN. Therefore you are not concerned about any provision in any treaty specifying that a certain quantity of water shall cross the international boundary line for your lands?

Mr. CHANDLER. Yes, sir; that is correct. I will qualify that by saying that that is my individual opinion, and I am only one of a good many owners of our property and I could not say anything here that would commit my associates. But I have very strong views personally on that subject from my observations of irrigation enterprises in the United States and especially around my home, and I would not feel that we were taking a particle of chance.

Mr. HAYDEN. You think that there would be enough return water for which no use could be found in the United States which would be ample for your interests, for the reason that water runs downhill and must cross the boundary line into Mexico?

Mr. CHANDLER. You have stated it exactly. I do not say it would all be return water. In the wintertime they are never going to do much irrigating up in the northern portions of the river, and if that water that they did not use in the river is run down into reservoirs and held and then the summer floods are held, I do not think they can hold back, by ever so many dams, except temporarily, enough water to prevent our having all we need to irrigate all of our lands and all the other lands below the line and above the line in the lower reaches of the river.

Mr. HAYDEN. The most recent statement on the subject is by Hon. George W. P. Hunt, Governor of Arizona, issued on New Year's Day, from which I read this extract:

There is ample water in the stream for the needs of completing development, along every line, for Arizona, California, and Nevada. There is no necessity that any of the three should want. However, if the irrigation of limitless acreages in Mexico is added to the equation, some one of the three must want.

Under the Boulder Dam set-up this enormous acreage in Mexico would be provided with water for irrigation. Intensive farming will be pursued thereon, the products of which will come into competition with those of American farmers in the world markets.

It is a question of whether the deserts of Arizona shall be converted into fertile farms, supporting American communities, or whether vast areas in Mexico shall be developed, supporting alien communities.

We hold that under these circumstances the sympathies of all good Americans should lie with Arizona in this controversy.

The Senators and Congressman from Arizona were told, when we offered amendments in the Senate and in the House of Representatives, and when we made the suggestion of notice to Mexico before the appropriate committees, that the language in the Swing-Johnson bill was ample and sufficient to insure that all the impounded waters of the Colorado River would be used in the United States and none could be used in Mexico. Nevertheless, Mexico now appears demanding 3,600,000 acre-feet of water out of that stream. It seems obvious that under such circumstances the recommendation made by the commission that has been trying so hard to negotiate a treaty with Mexico should be carried into effect by the President.

The first section of the Boulder Canyon project act provides for the construction of a dam on the Colorado River (now known as the Hoover Dam) for the storage of water "for reclamation of public lands and other beneficial uses exclusively within the United States." Amendments to the Swing-Johnson bill were offered in both the House and Senate to make it certain that Mexico could lay no claim to the waters to be impounded at Boulder Canyon, but they were not adopted upon the plea that the language which I have quoted from the act amply protected the interests of the United States and made it certain that none of such waters could be used in Mexico.

If it was the intent of Congress that all of the waters of the Colorado River should be put to beneficial use exclusively within the United States, and all agree that this intent is clearly expressed in the act, what possible objection can there be to frankly and truthfully advising Mexico that such is our purpose.

In the name of the people of the State of Arizona, whose legislature has specifically asked that such action be taken, I earnestly and respectfully request of the President of the United States that he serve formal notice upon the Government of the United States of Mexico, through diplomatic channels, that the Government of the United States of America intends to use within its own boundaries all of the waters of the Colorado River stored by the dam which bears his name and that if Mexicans use any of such waters within that Republic they will do so at their peril.

The President should not fail to transmit this warning without delay and thereby preserve peace and good will between the two nations, which are certain to be disturbed in the not distant future if such notice is not now given. The recommendation made by Dr. Elwood Mead, Gen. Lansing H. Beach, and Mr. W. E. Anderson, as the American members of the International Water Commission, should be promptly carried into effect by President Hoover.

EXHIBIT A

STATEMENTS RELATING TO THE COLORADO RIVER APPEARING IN THE REPORT TO CONGRESS OF THE AMERICAN SECTION OF THE INTERNATIONAL WATER COMMISSION, UNITED STATES AND MEXICO (H. DOC. 359, 71ST CONG., 2D SESS.)

* * * * * * *

Statement submitted by the Mexican section of the International Water Commission, Mexico City, D. F., August 24, 1929

During the meeting held by the International Water Commission on the 21st of August, Commissioner General Beach suggested that the Mexican section present a written statement made along the same lines Mr. Dozal verbally expressed a moment before as to the better way to deal with the Colorado River from the international point of view.

In compliance with this request, and with the desire to satisfy the American section, the Mexican section has the honor to present the following statements:

First. The Mexican section considers that the Colorado River, being an international stream, the use of its waters constitutes a common wealth for both countries, and that in consequence, in order to deal with its beneficial uses as well as with flood control, this river must be considered as a single geographic unit.

Second. The Mexican section considers as a common interest to both coparticipant countries in this common wealth that the development of the resources of the Colorado be carried to the maximum of benefits.

Third. The Mexican section considers that in order to attain the maximum development to which the foregoing statement refers it is imperative to construct structures to make possible:

(a) Irrigation.
(b) Flood control.
(c) Power.
(d) Domestic uses.

With the foregoing enumeration of beneficial uses, it is not the intention of the Mexican section to establish the preferent order of importance of each one of the works from a general standpoint of view but from the one attributed to them from the Mexican point of view exclusively in regard to the Colorado River.

Fourth. According to the foregoing enumeration, the Mexican section considers irrigation as being of paramount importance to Mexico.

Fifth. In order to set figures that will satisfy the development of irrigation in Mexico, the Mexican section awaits to know the joint report now in preparation by the technical advisers.

Sixth. In order to finally set its ideas as to the manner the International Water Commission must deal with points pertaining to flood control, power, and domestic uses, the Mexican section needs to learn, by means of a written statement from the American section, its ideas as to how the International Commission must deal with the Colorado River from a general point of view.

Memorandum of the American section on the division of the water of the Colorado River

MEXICO CITY, D. F., *August 29, 1929.*

In compliance with the request of the Mexican section of August 24, the American section submits its views on the equitable division of the Colorado River, between the United States and Mexico, and on the problems of power and flood control.

So far as we are advised, the only instance of the determination of international rights to water for irrigation and other consumptive uses, between the United States and Mexico, is the convention for the equitable distribution of the waters of the Rio Grande River, signed May 21, 1906. Under this convention the United States undertakes to provide a regulated flow of water from a reservoir built by and within the United States, and supplied with water wholly from United States territory, sufficient to irrigate certain lands in Mexico which had been previously irrigated from the unregulated flow of this river.

While this convention states that the action taken on the Rio Grande shall not constitute a precedent, and was not taken because of any legal obligation on the part of the United States to provide water for Mexico, but was done as an act of comity, our commission believes that the problems on the Colorado are similar in character and justify similar action. It believes further that the problems of flood control will be largely solved for Mexico as well as the United States by the building of Boulder Dam, which has been authorized by the United States.

It proposes, therefore, as an equitable division the waters of the river for irrigation and domestic purposes, the delivery by the United States to Mexico each year at the international boundary of an amount of water equal to that delivered for irrigation and domestic purposes in Mexico from the Colorado during the year 1928, which is the maximum delivered in any one year (as determined by the technical advisers) and which is understood to be 750,000 acre-feet. To this amount the American section proposes, if this seems warranted, to add an additional amount to compensate for losses in the main canal.

The delivery of water by the United States as here proposed will be conditioned on the construction of Boulder Dam, until which time the present unregulated delivery must continue. The regulated delivery, when it begins, shall be in accordance with a schedule to be hereafter agreed upon, with the understanding that in case of extraordinary drought or serious accident to the storage or diversion works in the United States, the amount of water to be delivered to Mexico will be diminished in the same proportion as deliveries in the United States.

The problem of flood control will be largely solved for both the United States and Mexico by the building of Boulder Dam, which will create a reservoir large enough to hold the average flow of the river for one and one-half years. This will make it possible to deliver to Mexico a regulated supply, save as it may be affected by local storms below Boulder Dam. This regulation is also being supplemented by the extensive construction of storages on the Gila River in Arizona.

While the generation and sale of hydroelectric power will be an important factor in the settlement and development of the Colorado Basin in the United States, it does not seem a factor in the equitable division of the water between Mexico and the United States.

The American section desires to call attention to the imperative need for the regulatory works the United States is preparing to build, and to the benefits which will come to both Lower California in Mexico and to Imperial Valley in the United States from such construction.

The protection now afforded irrigated lands from floods is by levees, which involves a large yearly expenditure, and is attended by such hazards that the limits of safe and profitable development have almost, if not quite, been reached. Furthermore, the fluctuations in discharge, which over a period of years have ranged from 220,000 cubic feet per second at high water to 1,200 cubic feet per second at low water, renders any extension of the irrigated area on the lower Colorado without regulation both hazardous and undesirable. It is the low-water flow of this river which now determines the safe and profitable limits of irrigation. The losses from shortage of water in the river have in a single year amounted to millions of dollars to the Imperial Valley in the United States and Mexico, and have caused the authorities of the Imperial irrigation district to refuse water to additional areas until, by regulation, the low-water discharge of the river can be increased.

The United States is, therefore, preparing to build works to regulate the flow of this river of greater size and cost than any of a similar character heretofore undertaken by any country to end a situation which may in any year involve an appalling disaster to the people of this region in both countries.

Another menace to permanent irrigation without storage on the lower part of the river, in both Mexico and the United States, is the immense amount of silt carried down and deposited in the bed of the stream, where the land has to be protected from overflow by levees. The silt deposit is causing the bed of the river to rise, and this requires a continual increase in the height of these levees. Within a few years protection by levees of these lands will become impracticable because of cost and risk. The reservoir at Boulder Dam will solve this problem for many generations, because it will catch and hold nearly all of this silt.

The quantity of water to be delivered to Mexico by the United States under this proposal does not, however, represent all the water Mexico will receive, because whatever flows down the Colorado in excess of the consumptive uses in the United States must in the future, as in the past, cross the boundary into Mexico and be available for use there. It will undoubtedly be an important factor in further irrigation development in Mexico, but the use of this surplus water in Mexico can not be regarded as establishing a right to such water as against the United States.

While it is not possible at this time to state the location or the exact use to which the waters of the Colorado will be applied in the United States, it can be stated definitely that all of the water which the stream carries will ultimately be needed and can be used in that country, and that any allotment to Mexico contemplated by this proposal will restrict development in the United States to a corresponding extent. The following facts will illustrate this:

The investigations which preceded the location of the Boulder Dam fixed the area of land which could be irrigated from the Colorado in the United States at something over 6,000,000 acres. Subsequent developments have shown that this estimate is too small. It did not include any water from the Colorado to supply Los Angeles, San Diego, or other areas of the coastal counties of California. It is now evident that from 1,000,000 to 2,000,000 acre-feet will have to be taken from the Colorado to supply these requirements.

Similar illustrations could be furnished of new and previously unexpected demands growing out of increased population and industrial development in the upper reaches of the river.

Under these conditions, conceding to Mexico a definite quantity of the waters of the stream equal to the maximum amount thus far delivered in any one year, and in addition lessening the hazards under which it is now used, will, it is hoped, be regarded by the people of both countries as a just and generous statement of this question.

Remarks to the American memorandum of August 29, 1930, presented by the Mexican section of the International Water Commission, Mexico City, D. F., September 2, 1930

The Mexican section of the International Water Commission present the following remarks to the memorandum presented by the American section, dated August 29, 1929, regarding the distribution of the waters of the Colorado River:

I. The Mexican section does not admit that the problem of the water supply for the Mexican claimants in the El Paso Valley, as it was resolved by the convention signed on May 21, 1906, is similar to the problem of distributing the waters of the Colorado River:

(a) Because the 1906 convention was concluded in order to satisfy claims of Mexican citizens, supported by their Government, and due to damages in their property when the flow of the Rio Grande was exhausted due to beneficial uses upstream within United States territory. Consequently, it was not the main purpose of this convention to settle the problem of the equitable distribution of the waters between the two countries, notwithstanding that it so states.

(b) Because according to the statement made in the foregoing paragraph, the claims were presented in such terms as to obtain cash indemnity for damages, but these claims were finally settled when this cash indemnity was converted to an equivalent value in water for irrigation; that is to say, it was as a compensation for damages previously suffered, a condition absolutely nonexisting in the case of the Colorado River.

(c) Because article 5 of said treaty provides as follows:

"The United States, in entering into this treaty, does not thereby concede, expressly or by implication, any legal basis for any claims heretofore asserted or which may be hereafter asserted by reason of any losses incurred by the owners of land in Mexico due or alleged to be due to diversion of the waters of the Rio Grande within the United States; nor does the United States in any way concede the establishment of any general principle or precedent by the concluding of this treaty. The understanding of both parties is that the arrangement contemplated by this treaty extends only to the portion of the Rio Grande which forms the international boundary, from the head of the Mexican canal down to Fort Quitman, Tex., and in no other case."

Therefore it must be considered that the very special procedure following in this convention would not be invoked in the future as a precedent.

(d) Finally, according to the criterion of this Mexican section, the international comity invoked as a basis for negotiation of this treaty can not be applied to the case of the Colorado River, inasmuch as this section considers the Colorado River as a common wealth due to its international geographic nature, upon which Mexico bases its right to the use of its waters, right which is so much more consistent than any other consideration based upon international comity.

II. The purpose the Government of the United States has of building a reservoir with sufficient capacity to store the flow of the Colorado River for a year and one-half notoriously violates certain provisions of the boundary treaties now in force. The Mexican Government has made several representations, since 1903 up to this date, viz, when water was first used for the development of the Imperial Valley, when legislation on the Colorado River was first being prepared, and when this legislation was completed.

This Mexican section, notwithstanding, maintains its criterion of recommending modifications to the treaties now in force, but only in case that said modifications would establish new legal status, equally firm which would guarantee better uses or services of the waters to Mexico.

III. The Mexican section begs to call the attention once more to the fact that in order to make the previous demand for water this section took in consideration only lands susceptible of irrigation by ditches, irrigable lands by pumping lift under 80 feet, and those that could be cultivated at a small cost. On the other hand, in the United States by home reasons which we must not analyze, there were taken into consideration domestic uses of cities far away from the stream, lands to be irrigated with a pump lift of between 80 and 400 feet, and also lands that it would be very costly to put them under cultivation.

The Mexican section considers, due to the foregoing, that in order to make an equitable distribution of the waters, only similar necessities must be taken into consideration.

IV. The Mexican section considers that the status brought about by diversion of waters of the Colorado River through Mexican territory, has given the right to Mexico of using 5,000 cubic feet per second, or 3,600,000 acre-feet per year. Therefore, Mexico could not accept a smaller volume than that one, in an equitable distribution.

The enormous wealth developed in the American Imperial Valley is founded upon Mexico's benevolent consent while accepting a water right of way.

The concession which originated this status was accepted by the United States Government, and thereafter that same Government not only maintained its acceptance but authorized large appropriations of Federal funds in order to maintain certain structures derived from the original concession.

V. The Mexican section desires that with reference to the development of power, the same rates be considered for Mexican users as for American users.

VI. The Mexican section has the conviction that flood control in lands of the lower Colorado River will not be possible or complete just by the erection of Boulder Dam, but that flood-control works will be required in Mexican territory.

Run-offs originated downstream of Boulder Dam and at the Gila River may produce disastrous floods, notwithstanding the construction of Boulder Dam, inasmuch as the channel of the river will be materially reduced by the deposit of silt due to the lower carrying capacity of the stream and because of a more easy growth of vegetation under future conditions.

Experience at the Rio Grande after the construction of Elephant Butte Dam is a very good example in connection with the above statement.

VII. The attention of the American section is requested by the Mexican section toward the surplus water that must flow through Mexican territory, after the construction of Boulder Dam.

After the construction of Boulder Dam the channel of the river will be higher due to the reasons above mentioned, and so this surplus water will raise the water table and thus create a drainage problem for the Mexican lands.

VIII. While demanding waters from the Colorado River for Mexican lands, the Mexican section has taken into consideration the area of these lands, the exercise of the rights of Mexico to the present time, and the flow of the Colorado River.

The Mexican section considers that there are about 6,000,000 acres of American lands requiring improvements at low cost or pumping under 80-foot lift, and that the Mexican lands under similar conditions amount to about 1,500,000 acres. If the annual run-off of the Colorado River at Yuma is about 17,400,000 acre-feet, and following the criterion of distributing the waters of the river in proportion to lands in both countries, which are under above-mentioned conditions, 3,480,000 acre-feet would correspond to Mexico and 13,920,000 acre-feet to the United States lands.

Mexico has a right to 3,600,000 acre-feet under the concession of the Compania de Tierras y Aguas de la Baja California. The amount of 750,000 acre-feet which the American section considers as just and generous for the lands in Mexico, notoriously results out of proportion with the figures above analyzed, and so Mexico can not accept as her share on the equitable distribution of the waters of the Colorado River the above-mentioned amount of 750,000 acre-feet.

Conclusions: In the above statement the Mexican section has just developed her criterion, as stated during past meetings and statements, and respectfully expects from the American section:

I. That the latter will reconsider its offer in regard to volumes of water for the Mexican lands.

II. That the latter will please state its position regarding power developments and flood-control works.

MEXICO, *September 2, 1929.*

Memorandum of the American section on the proper division of the Colorado River between the United States and Mexico, and on arrangements needed to protect irrigated lands from floods of the lower Colorado River in both countries

MEXICO CITY, D. F.,
September 6, 1929.

1. The American section has given careful and sympathetic consideration to the memorandum of the Mexican section of September 2 on the distribution of the waters of the Colorado River. It regrets that there should be any difference of view on this matter between the two sections, but appreciates the candid and definite statement of the Mexican section as to its position. In complying with the request of the Mexican section for a further statement of the American position, the American section expresses the hope that the statement submitted will contribute to a better understanding of the situation in both countries and help to bring the efforts of the commission to a satisfactory conclusion.

2. The American section notes that the Mexican section does not recognize the similarity between the case which occurred in the El Paso Valley and was settled by the convention of May 21, 1906, and the present situation upon the lower Colorado River. Certainly there is similarity in the following conditions: On both streams the water involved in the settlements comes from the United States. In both cases storage of the water and regulation of the streams are factors. It would only require the construction of Boulder Dam and the withholding of water from Mexico to make these cases not only similar but identical.

It is true that article 5 of the Rio Grande convention states that the action there taken shall not be regarded as a precedent and that the United States does not recognize any legal basis which would give the owners of land in Mexico a right to water which may be in the Rio Grande before it reaches the international boundary. To apply the principle there laid down and accepted by Mexico would be to prevent Mexico from making any claim whatever to the waters of the Colorado. The American section has not, however, regarded this as a precedent, but proposes, because of similarity in conditions, to recommend the granting to Mexico, as an act of comity and friendship, but not as a right, the largest amount of water which it had ever taken in any one year.

NAVIGATION

3. The claim of the Mexican section that the building of Boulder Dam would be a violation of existing treaties can not be accepted.

The American section has no knowledge of any treaty or other obligation of the United States which would restrict its action on the Colorado within its own boundaries. On the contrary, freedom of action is specifically stipulated in the treaty of Guadalupe Hidalgo, which says:

"The stipulations contained in the present article shall not impair the territorial rights of either Republic within its established limits."

Furthermore, both countries have for many years ignored and abandoned in practice the obligation to maintain navigability on the lower Colorado.

Among the acts which support this statement is the contract between the Mexican Government and the Sociedad de Riego y Terrenos de la Baja California, a Mexican corporation, made in 1904, under which Mexico recognized the right of this corporation to divert from the river, for consumptive use, 10,000 cubic feet of water per second. This is more than the entire low-water flow of the river for considerable periods of time, and could only result in the impairment or destruction of navigation.

As a result of the acts of this Mexican corporation, the entire Colorado River was diverted from its channel in 1905, and for more than a year flowed, not into the Gulf of California, but into the Salton Sea. During this time the former channel of the river was dry. Navigation was, of course, out of the question. The Gadsden treaty of 1853 expressly states:

"The vessels and citizens of the United States shall, in all time, have free and uninterrupted passage to the Gulf of California to and from their possessions situated north of the boundary line of the two countries."

Notwithstanding this, Mexico assumed no responsibility for the maintenance of a navigable channel and made no effort to restore the river to any channel which would make navigation possible.

In order to turn water from the Colorado into the channel of the Mexican corporation it has been necessary for many years to place in the channel of the stream each year at Hanlon Heading a temporary dam, which has been an effective barrier to navigation. This obstruction to navigation has been acquiesced in by both Mexico and the United States during this entire time.

In the opinion of the American section, Mexico is, by these acts, estopped from objecting to any action of the United States on the Colorado within its own territory which would interfere with navigation.

ALLOCATION OF WATER TO MEXICO

4. The criteria proposed by the Mexican section in paragraph 3 of its memorandum of September 2 would, if applied to the United States, prevent the application of water to its most valuable uses, in that it would restrict supplying cities and towns with water for domestic purposes and prevent the irrigation of some of the most valuable lands in the country which happen to have a pumping lift of more than 80 feet. It is not believed that the application of such conditions are necessary to a proper settlement of the rights of the two countries, or that it could be accepted in the United States; nor can the American section approve of the proposal that the development of land in the United States should be restricted by the reservation of water for lands in Mexico that are not now irrigated and which may not be irrigated for an indefinite period in the future. To do this would require the United States to make a surrender of its resources and restrict its development for reasons that are not required by either international law or comity.

5. The contract of the Government of Mexico with a Mexican corporation authorizing diversion from the river of 10,000 cubic feet a second for use in Mexico and the United States does not of itself establish a right to this or any other quantity of water. Diversions under that contract could only ripen into equitable claims which the United States, under comity, should recognize when the water has been actually applied to beneficial use. Only a fraction of the 10,000 cubic feet per second of the contract referred to has been so used.

The American section proposes to recognize the claim of Mexico for the largest amount of water ever applied in irrigation or to other beneficial uses under this contract in any one year, and it believes, as stated heretofore, that this is a just and generous settlement of this question.

6. The American section desires to state further that the new status which will be created by the construction of Boulder Dam and the regulation of the Colorado River will not operate to the injury of Mexico. On the contrary, the regulation of this river is absolutely essential to the continued safe and profitable irrigation of lands in the delta of the Colorado, both in the United States and Mexico. The protection of these lands by means of levees against conditions created by the floods of the Colorado and the immense volumes of silt carried down and deposited in the channel of the stream is too costly and hazardous to be continued. Either an immense storage work, like that which the United States is to build, must be constructed or an overflow of appalling dimensions will destroy the homes and farms in the delta of the Colorado, on both sides of the international boundary.

7. The great expenditure which the United States is preparing to make to create this regulating reservoir has for its primary purpose the protection of the irrigated lands of the lower Colorado. The completion of these works will not restrict irrigation development in Mexico. It will guarantee safety and lessened expense in the irrigation of lands now being farmed. Moreover, as pointed out in our previous memorandum, the amount of water guaranteed to Mexico in the American proposal will not limit the amount of water received by Mexico. All the surplus beyond the actual necessities of the United States will flow into Mexico under far better conditions for use than is possible now from an unregulated river. This fact is a source of gratification to the people of the United States, and Mexico can rest assured that the operation of Boulder Dam will be carried on with a desire to secure the largest possible benefits to Mexico compatible with efficient operation and the protection of rights within the United States. It is hoped, therefore, that the Mexican section will reconsider its position on this matter.

FLOOD CONTROL

8. The American section has submitted to the Mexican section maps prepared by the Imperial irrigation district and by J. C. Allison, who has long acted as engineer for the Colorado River Land Co. and who is largely engaged in the irrigation of Mexican lands in the Colorado delta. These maps clearly show that the uncoordinated action of these agencies in protecting the lands subject to overflow, and in keeping the Colorado River within a defined channel, has resulted in the creation of dangerous and unsatisfactory conditions and that the termination of this and the protection of lands on both sides of the boundary require the formulation of a definite plan of river protection and flood control.

Thus far almost the entire expense of protecting lands in Mexico and the United States has been borne by the Imperial irrigation district and its predecessors, supplemented by large contributions from the Treasury of the United States.

The financial record of money spent in Mexico for the construction and maintenance of levees for the protection of lands, both in Mexico and the United States, is as follows:

Imperial irrigation district and its predecessors, including the expenditures by the Southern Pacific Co	$6,562,000
United States Government	1,100,000
Total from the United States	7,662,000
Mexican Government and Mexican interests	340,000

This last item does not include repair work in 1928 or the new east side levee built in connection with the Baja California Canal during the past season.

The benefits to Mexico of this protection are such that neither the Government nor the lands protected in Mexico have borne their proper share of the cost. It is not only necessary, but just, that there should be the assumption on the part of Mexico and Mexican interests of a far larger share of these costs in the future.

The American section believes that early action is desirable to protect the interests of both countries during the period of construction of Boulder Dam and to maintain a flood and drainage channel to the Gulf for such surplus waters as may come down the river after the dam is completed and that authority and money be asked from our respective Governments to pay salaries and expenses for survey and preparation of plans and estimate of cost for the construction and maintenance of this flood and drainage channel.

POWER

The view of the commission, expressed in its previous memorandum, that the power problem does not enter into the settlement of the problems of equitable distribution of the waters of the Colorado is repeated. The American section, however, recognizes the importance of cheap power to Mexico in pumping water for irrigation along the lower Colorado, and it desires to contribute to this result in any way that would have the approval of the United States. It points out, therefore, that notice has been given to all those who desire to purchase power generated at Boulder Dam to file their applications on or before October 1, 1929, with the Secretary of the Interior. If the irrigators in Mexico desire to secure part of this power their proposal should be submitted. The most convenient and valuable source of power for Mexico will be that resulting from utilization of the power opportunities along the all-American canal, and the informal suggestion of the Mexican section that Mexican interests be permitted to purchase a share of this power at the same price as it is sold in the United States is reasonable, and no misgiving is felt that such privilege will not be accorded.

(NOTE.—"Lower Colorado," where referred to in this memorandum, means that section of the Colorado River between Laguna Dam and the Gulf of California.)

Committee report on the Colorado River, Washington, D. C., October 30, 1929

The committee appointed by the International Water Commission at its session of the 23d instant to study the matter of the Colorado River, has the honor to submit to the consideration of the commission the result of its investigation, which is embodied in the following resolutive points:

I. The committee agrees in the opinion that the first step to be taken in order to draft a report which can serve as a basis for an international treaty regarding this river, should be to arrive at a plan whereby the division of the waters may be made in an equitable manner, and looking to the best use of same in each country as each country may determine.

II. The committee agrees in the opinion that, in order to accomplish this purpose, the commission must suggest to both Governments the necessity of abrogating the theory of navigability contained in the treaties now in force and authorizing more profitable uses of the waters for both countries.

III. The committee agrees in the opinion that the commission should suggest to the respective Governments that the treaty to be concluded must contain special provisions guaranteeing the building of flood-protection works, and also a clause providing that electrical power generated in either country may be carried into the other country and there distributed and sold without discrimination or prejudice, reserving to each country according to its own laws and regulations the right of supervision and control of such imported power in exactly such manner and extent as may be exercised over electrical power generated within its own territory.

IV. The committee has been unable to reach an agreement regarding the volume which must be apportioned to Mexico, and expresses the following separate contentions:

(a) The American commissioner is of the opinion that the amount which must be considered for that purpose is 750,000 acre-feet per year; and

(b) The Mexican commissioner is of the opinion that the minimum which can be accepted by his country is 3,480,000 acre-feet per year, as the Mexican section set forth in its memorandum of September 2, 1929.

V. The United States commissioner bases his opinion in the following considerations:

The United States section can not see its way clear to admit the position of the Mexican section that in endeavoring to determine the division of the waters of the Colorado River between the two countries, international boundaries should be ignored and the problem treated as if the territory involved belonged to a single nation, nor does it believe that the number of acres of land capable of irrigation in each country from the river should be taken as a basis for such division.

The Government of the United States has consistently held to the doctrine laid down by the Supreme Court of this country when it said:

"The jurisdiction of the nation within its own territory is necessarily exclusive and absolute. It is susceptible of no limitation not imposed by itself. Any restriction upon it, deriving validity from an external source, would imply a diminution of its sovereignty to the extent of the restriction, and an investment of that sovereignty to the same extent in that power which could impose such restriction. All exceptions, therefore, to the full and complete power of a nation within its own territories must be traced up to the consent of the nation itself." (Schooner Exchange *v.* McFadden, 7 Cranch, p. 136.)

It has always been held that a nation has a full right within its own territories of those resources which might be necessary for its development or for the comfort of its people. Any granting of a portion of such resources to another nation must be regarded as a voluntary act of friendship and comity. It may be good policy between nations to make a concession of this nature, but such an act can not be claimed as an acknowledgment of any right upon the part of the nation to which it is made.

On the assumption that it may be an act of friendship and an evidence of good will to a neighboring nation for the United States to concede a portion of the waters of the Colorado River to Mexico, the question arises as to the basis on which that concession should be made and the amount which can be allotted consistent with a due regard to the proper development of each country and the best interests of the citizens of each nation.

The basis of areas of irrigable land in each country, as has been proposed by the Mexican section, is not regarded as tenable, for the reason that such a method takes no account of the people involved who are the real beneficiaries and for whom in the last analysis the division of the waters is really desired. A fairer method would be a division in accordance with population, but this is likewise untenable for the reason that for an indefinite time to come the markets for the produce raised upon the lands of Mexico irrigated from the Colorado River will be rather in the United States than in Mexico. The areas of territory in the two countries dependent upon the Colorado River for future development would be a method difficult of determination, especially as such territories would not be confined to the limits of the river's watershed. To take the value of the developments which have already been made in each country upon lands tributary to the river as the basis for a division, or to take present conditions as indicative of the future, can not be maintained.

Were the flow of the Colorado River sufficient in quantity to supply the various sections of both countries desiring its waters for future development, our task would be easy and simple. Unfortunately, the demands are far beyond the volume which the river can provide, and these demands are so far-reaching and of so great importance to the people of the United States that they are now preparing to spend $400,000,000 in order to secure a full utilization of such water as the river carries. It does not appear that the United States is required, even in proof of its friendship and good wishes for Mexico, to limit its own growth and abridge the comfort of its own citizens that a neighboring nation may be correspondingly benefited. Neither does it seem an act of neighborly kindness to itself appropriate the waters of the river to such an extent that people who have developed lands in Mexico and placed them under cultivation would be deprived of water and the lands forced back into wilderness. To avoid such a condition and to prevent loss to the holders of land in Mexico, the United States section believes that the commission should recommend to the Governments of the two countries that the amount of water to be allotted to Mexico each year be the largest amount which has to this time been given to that country in any one calendar year. This quantity is practically 750,000 acre-feet. This quantity of water will permit of the undiminished continuance of the greatest agricultural activity which has as yet occurred in this part of Mexico. The United States section regrets that it can not see its way to recommend a larger amount to Mexico, but believes that it is going as far as it properly can when it saves the existing users of water in Mexico from loss, and feels that if it recommended an additional amount it would be recommending an injury to its own country. The section, in taking this action, is as liberal as any country has ever been or as the Supreme Court of the United States has been in determining questions of this character between the States. The section further invites attention to the fact that for an indefinite time in the future the amount of water entering Mexico will be in excess of 750,000 acre-feet.

It is understood that the Mexican section regards it as beyond the powers of this commission to make recommendations to the Governments of the two countries concerning the early adoption of measures for flood protection. Authority for such action was not given, but it is unquestionable that had the proximity and magnitude of the present danger been foreseen, not only would authority to recommend been extended but power to act would probably have been included.

To allow the Colorado River to again break into the Salton Sea would mean the destruction of the cultivated lands of the Imperial Valley in both Mexico and the United States and the overwhelming of the villages and towns which have grown up in the valley. The danger points are in Mexico and the protective measures will have to be taken on that side of the boundary line. The catastrophe will involve portions of both countries.

The United States earnestly requests the Mexican section to join it in an immediate report by the commission and a recommendation to both Governments that prompt measures be taken to prevent all danger and that the necessary funds be immediately provided.

VI. The Mexican commissioner bases his opinion in the following considerations:

That having before him all the documents pertaining to the matter, particularly the technical report of the experts and the papers exchanged between both sections during the second period of sessions of the International Water Commission, held in Mexico from August 20 to September 9, inclusive, of the present year, to wit:

"1. Memorandum of the American section, dated August 29, 1929, on the division of the waters of the Colorado River.

"2. Objections of the Mexican section of the International Water Commission to the memorandum presented by the American section on August 29th ultimo, regarding the division of the waters of the Colorado River.

"3. Memorandum of the American section on the proper division of the Colorado River between the United States and Mexico and on arrangements needed to protect the irrigated lands from floods of the lower Colorado River in both countries, dated September 6 of this year."

He considers that all the reasons adduced and the conclusions arrived at by the Mexican section must be regarded as subsistent,

due to the fact that the objections made by the American section in the last of the aforementioned documents to such reasons and conclusions are inacceptable for the reasons which I set forth below, to which, for the sake of clearness, I will refer with the same numbers as they appear in the memorandum in question:

Point 1. Unobjected.

Point 2. The Mexican section does not base the claims of Mexico on reasons of comity, nor does it believe that this principle can be applied to justify an apportionment of water which, in its opinion, must be effected as a recognition of the right of Mexico to the use of the international waters of its rivers, taking into consideration the interest that both countries have in the waters, the good understanding and friendship which have marked the solution of their problems, the provisions of the treaties now in force between them, and the practice and principles of international law.

Furthermore, the treaty of 1853, modifying the treaty of 1848, sets forth the reciprocal rights and obligations of both countries to preserve the navigability, and if it were agreed by mutual understanding that the waters of the river under consideration could be used in other ways than navigation, Mexico should be entitled by firm right to a part of these waters, and can not accept therefore, that this right may be set aside to receive the waters as an act of comity or international friendship.

Point 3. The treaty of 1853 brought about the exclusion from Mexican territory of the Gila River; but with respect to the navigability of the Colorado River, the same stipulations were ratified therein as contained in the treaty of 1848. Article 7 of this treaty and article 4 of the treaty of 1853 are very clear in this respect; but, besides, these stipulations were solidly ratified by article 5 of the international convention of November 12, 1884, relating to the international boundaries of both countries.

The situations of fact created or permitted by the United States and Mexico do not affect the principles embodied in the treaties.

It is inadmissible that the concession granted by Mexico to the Sociedad de Riego y Terrenos de la Baja California can stop Mexico from objecting to the construction of any work which may alter the navigability or impair the condition of navigability established by the treaties, for the following reasons:

(a) Because the concession granted by Mexico had as its main object to legalize in benefit of the United States (up to that time the waters were only used within the United States) a situation of fact brought about by disregarding the provisions of Mexican legislation; and this concession was granted to allow the transit through Mexican territory of waters diverted from United States territory.

(b) Because the subsidiary concession to divert waters from the river in a Mexican bank was granted upon the condition that the waters would be used without impairing the navigation.

(c) Because in allowing the transit through Mexican territory of waters diverted in the United States can not hold Mexico responsible for a diversion of waters made in foreign territory, and, finally,

(d) Because the obstruction of the river bed with dams and weirs at Hanlon Heading, in the territory of the United States, is a matter of the exclusive authorization and responsibility of this country.

The concession of 1904 granted by Mexico as an emergency situation that Mexico did not create can not be considered, therefore, as a violation of the treaties in this respect, nor much less can it show any intention on the part of Mexico to set aside its right to the navigability of the river as specified in the treaties.

Point 4. I believe that the Mexican section has not tried to establish a line of conduct for the United States in so far as the use that the United States may make within its own territory of the waters to be apportioned to it after the distribution of the waters of the Colorado River, but it has simply endeavored to arrive at an understanding in order to determine in an equitable way the volume which must be apportioned to Mexico. The possibilities of use of waters in Mexico have been limited to the lands near the river, where profitable irrigation is possible; and it is established that the application of this criterion to the needs which must be satisfied in the United States would allow a considerable reduction in the demands of the latter; but such reduction, on the other hand, has not been taken into consideration to base the resolutions proposed by Mexico; in order to determine such possibilities the American data have been accepted without objection by Mexico.

It is pertinent, however, to make special mention of the fact that, according to the latest information obtained by the United States Geological Survey, Mr. Delph E. Carpenter, investigating the development of the upper basin of the Colorado River, has stated that the requirements of this basin can be filled with a total volume of 5,720,000 acre-feet per year, instead of 7,500,000 acre-feet granted for this purpose in the Colorado River compact.

The Mexican section thinks that a substantial saving in the volume set aside in such compact can be arrived at by a discreet and economic distribution of the waters in the total course of the river.

Point 5. The contract entered into by Mexico in 1904 with the Sociedad de Riego y Terrenos de la Baja California was accepted and recognized by the United States; the diversion of the waters and the principal zone of irrigation are within American territory; the organization handling the irrigation in the United States is an American official organization. This organization and the authorities which allow it to operate have recognized for 25 years the obligation to handle the waters as per the terms of said concession; that is, they have recognized to Mexico the right to use, in case of need, up to 5,000 cubic feet per second. The fact that this water has not been used does not establish a legal precedent.

Point 6. It is evident that the Mexican section admits the advantages derived by regulation of the river by the construction of Boulder Dam, but it does not admit that this construction will eliminate completely all danger of floods, for the reasons already set forth. It will be required to construct and maintain flood-protection works and perhaps maintain a proper channel for the flow of the waters.

Point 7. The Mexican commissioner appreciates the statement that as soon as the needs of the lands in the United States are taken care of the operation of Boulder Dam will be made in the most favorable way for Mexico, but is of the opinion that if at the same time that the needs of the United States were satisfied, the just demands of Mexico were considered, would result in a better understanding and cordial feeling of friendship between the two countries.

Point 8. The Mexican section will doubtless take into consideration the remarks regarding the expenses of the constructions at the river delta, and is of the opinion that as soon as the division of the waters has been agreed upon any action could be undertaken under better auspices and the work will be greatly simplified.

On the face of this slight analysis of the facts adduced by the American section which, I must repeat, in my opinion do not in any way affect or modify the conclusions of the memorandum of the Mexican section, I, as a member of this committee, ratify in its entirety point 8 of said memorandum and beg to conclude my statement regarding the distribution of the waters of the Colorado River in the following terms:

The Mexican section, in demanding waters of the Colorado River for Mexican lands, has taken into consideration the area of the lands, the rights exercised by Mexico up to the present time, and the flow of the Colorado River.

The Mexican section is of the opinion that the area of American lands which require improvement or pumping lift below 80 feet is approximately 6,000,000 acres, and the area of Mexican lands in similar conditions is 1,500,000 acres. Considering that the flow of the Colorado River at Yuma is 17,400,000 acre-feet, and taking into consideration the principle of proportionate distribution to the lands in each country under similar circumstances, the share of Mexico should be 3,480,000 acre-feet and the American portion 13,920,000 acre-feet.

The volume of water to which Mexico is entitled by virtue of the concession of the Sociedad de Riego y Terrenos de la Baja California is 3,600,000 acre-feet.

The apportionment to Mexican lands of 750,000 acre-feet, which the American section considers just and generous, is notoriously disproportionate to the figures just stated, and, therefore, Mexico can not accept the amount of 750,000 acre-feet as its equitable share of the waters of the Colorado River.

VII. Finally, the committee agrees in presenting two originals, in English and in Spanish, one for each section, authorized with the signature of both commissioners, to be discussed by the International Water Commission at a meeting to be called for this purpose by the two chairmen.

LANSING H. BEACH, *Commissioner.*
IGNACIO LOPEZ BANCALARI, *Comisionado.*

WASHINGTON, D. C., *October 30, 1929.*

Reply of the United States section to the memorandum of the Mexican section of November 7, submitted at Washington, D. C., November 8, 1929

The United States section of the International Water Commission has given careful consideration to the memorandum of the Mexican section presented at the meeting of November 7, in which that section suggests the appointment of plenipotentiaries from each country who shall negotiate and conclude a treaty providing for a permanent International Water Commission between the two countries. The memorandum proposes the organization, duties, authority, and office location of the proposed commission and that until such commission begins to function the work of investigation upon the boundary streams shall be continued by this body.

It is understood that the manner of appointment of the two sections composing this commission is different and that the results required from each may not be the same. The United States section was appointed pursuant to acts of Congress which directed it to "cooperate with representatives of the Government of Mexico in a study regarding the equitable use of the waters of the lower Rio Grande and of the lower Colorado Rivers, for the purpose of securing information on which to base a treaty with the Government of Mexico relative to the use of the waters of these rivers." The law further says, "Upon completion of such study the results shall be reported to Congress." The Mexican section was appointed by executive action without legal limitations upon its action except such as may be inferred by analogy from the requirement to cooperate with the United States section.

The International Commission since its organization has proceeded to gather all data which will be of value for a basis of a treaty concerning an equitable use of the waters of the rivers. On the Colorado it has ascertained, largely using previously accumulated information, the quantity of water actually and potentially available, the areas of cultivable land which can be irrigated from the river and the quantities which have been used in each country

during various years. Similar information has been obtained for the Rio Grande. The United States section has suggested a basis for the distribution of waters between the two countries and the Mexican section prefers another, quite different. There is no prospect of reconciling these divergent views by further discussion.

On the Rio Grande further investigation must be mainly concerned with the storage of the 4,000,000 acre-feet of water which now runs to waste every year, but further study is unavailing until some determination shall be made of the sources of the water to be stored on the river where it is a boundary stream and that in turn will depend upon the storage upon the tributaries in the two countries, and an international agreement or a treaty fixes the share which each country shall contribute. On the Rio Grande the question of division of the stored waters can not be solved until that of contribution can first be answered. This condition does not occur on the Colorado as both contribution and storage occur in one country only, but the danger of damage and destruction from floods in both countries, due to conditions in Mexico, is so great and imminent that study of the best means of protection should be promptly undertaken. For this purpose, especially in view of the danger of delay, a treaty may not be necessary.

Under all the circumstances the United States section believes that it is now required to make to its Government the report to Congress required by law and that further study of the question of distribution of waters should follow the decision by the proper treaty-making authorities of the two countries of the duties and responsibilities of each. It greatly appreciates the effort of the Mexican section to advance the work of the commission, but believes it is compelled by the law under which it acts to follow a somewhat different course.

ELWOOD MEAD, *Chairman.*

Summary of interpretations of the treaty of Guadalupe Hidalgo (1848) and the Mexican Boundary Convention of November 12, 1884, by Karl F. Keeler

The writer's interpretations as to what are the treaty rights of the two governments in the Colorado River and its waters may be briefly summarized as follows:

(a) Any treaty rights which the United States and Mexico may have in the Colorado River are to be found in articles 5, 6, and 7, 1848, articles 1 and 4, 1853, and article 5, 1884.

(b) When read together and interpreted according to the accepted rules of law these international agreements reveal:

1. No restriction upon the complete territorial sovereignty of the United States over the river or its waters within the boundary lines established by the treaty of 1853.

2. A grant in perpetuity by Mexico to the vessels and to the citizens of the United States of a right of passage through Mexico, restricted to passage by navigating the Gulf and Colorado River.

3. An obligation upon the United States to enforce against its cograntee—the citizens of the United States—the restrictions of the aforementioned grant, but only to enforce them along the boundary portion of the Colorado River.

4. The aforementioned grant is further limited, along the boundary portion of the river, to the actually navigable main channels of the river, but such channels may be navigated even though they lie wholly within Mexican territory.

5. No acknowledgment, grant, or stipulation of any right in Mexico, of, in, or to any part of the Colorado or its waters, except such as are incident to its territorial sovereignty over a portion of the same.

6. No provision for Mexico to navigate the boundary portion of the Colorado River.

Herein no expression has ben made as to Government policy regarding treaty rights in the Colorado River; such being wholly outside the province of this memorandum. Many factors will combine to determine such a policy; and since the law is the servant of politics and must not be suffered to become its master, legal treaty rights will serve to orient the view if such other factors.

Respectfully,

KARL F. KEELER, *Associate Engineer.*

EXHIBIT B

DEPARTMENT OF STATE,
Washington, January 8, 1931.

The PRESIDENT:

There has been submitted to this department by Mr. L. M. Lawson, special commissioner, International Water Commission, United States and Mexico, a summary of the work to be accomplished by the American section of that commission, together with an estimate of the additional funds necessary therefor, for a period of one and one-half years, in order adequately to continue its study in cooperation with representatives of Mexico, of a plan for the equitable use of the waters of the lower Rio Grande, the lower Colorado, and Tia Juana Rivers, for submission to the Congress, pursuant to the provisions of the acts of May 13, 1924, and March 3, 1927, respectively, copies of which are herewith inclosed.

The program of the commission comprehends investigations—

(a) On the lower Rio Grande: Field surveys and office studies of existing works and those urgently needed for the protection of lands under irrigation and towns in the area subject to overflow during floods; surveys and office studies of available dam and reservoir sites suitable for impoundage of flood and excess waters and the development of power; the establishment and maintenance of additional stream-gaging stations looking to an accurate determination of the contribution to the river flow of United States tributaries; and field measurements of evaporation, consumptive uses, and duty of waters in irrigation in the lower valley.

(b) On the lower Colorado River: Field surveys and office studies of urgently needed flood-control measures including a geological survey of the delta with a view to determining fault zones and their relation to channel location and the preparation of an aerophotographic map of the entire delta zone, an area of approximately 1,500 square miles, with a view to possible channel rectification and other flood-protection measures on lands in the delta zone; field and office studies of possible flood control on the lower Gila River and to determine their effect on Colorado River flood-control measures supplementary to Hoover Dam; the establishment and maintenance of a gaging station on Bill Williams Creek to determine flood crests in that tributary; and a study of probable changes at the Laguna Dam and probable maximum flood to be passed by channel of Colorado River after Hoover Dam is completed, taking into account floods in Bill Williams and Gila Rivers.

Concerning the urgent need of the data to be obtained as a result of the proposed investigations on the lower Rio Grande, Mr. Lawson advises to the effect that there are one-half million acres now under irrigation as well as growing towns in that area which are now subject to overflow during floods; that citizens and communities in affected districts on the American side have already attempted remedial measures at considerable expense, with only partial success due to the fact that the problem is international in its scope and dependent for its solution upon the development and execution of a plan, in cooperation with Mexico, looking to adequate flood protection; and that this is the objective of the proposed investigations and studies.

The commissioners' court of Cameron County, Tex., the Joint Association of Cameron-Hidalgo Counties Water Improvement Districts of the Lower Rio Grande Valley, and the commissioners' court of Willacy County, Tex., have recently passed resolutions, in the form of petitions for remedial action, addressed to this department, setting forth that the citizens of the districts represented have built homes and made investments valued at millions of dollars; that large sums of money have already been expended by Hidalgo and Cameron Counties and by many private corporations and water and road districts in an attempt to control flood waters with only partial success; that, in the absence of adequate remedial measures, all improvements, homes, and other valuable developments in these counties are subject to be swept away by the uncontrolled waters of the Rio Grande, but that neither the counties represented nor the State of Texas has any power to control the flood menaces complained of since the Rio Grande is an international river.

The necessity for continuing the proposed investigations and studies with a view to determining upon appropriate measures for the unification of international flood control in the lower Rio Grande Valley was clearly set forth during a joint meeting of the Mexican and American sections of the International Water Commission held on November 18, 1930, when the Mexican and American commissioners agreed to recommend to their respective Governments that the proposed investigations and studies be made to provide an accurate and complete hydrographic record and to insure a coordinated result in order that they might then be in a position to present a suitable plan for remedial action to their respective Governments.

Concerning the urgent need of the proposed investigations on the lower Colorado River, Mr. Lawson advises that the situation in that area, in its relation to flood control in the Imperial Valley, is most serious and pressing; and that additional data are necessary to complete a remedial plan.

These questions were discussed at length, on the basis of the enormous values of the properties in both countries now menaced by floods in the lower Rio Grande Valley and in the Delta of the Colorado River, during the joint session of the Mexican and American sections of the water commission held on November 18, 1930, and, as a result, the commissioners agreed to submit immediately to their respective Governments the question of obtaining authority and funds necessary in order to devise final plans definitely to provide for a coordinated remedial action.

The cost of the proposed studies by the American section of the commission for a period of one and one-half years, according to an estimate submitted by Mr. Lawson, will be as follows:

Rio Grande investigations	$155,000
Lower Colorado investigations	64,000
Expense of office of American section at El Paso	68,000
Total	287,000

The foregoing is intended to set forth briefly the urgent need of the work to be performed by the American section of the commission, in cooperation with representatives of Mexico, with a view to carrying out the provisions of the acts of May 13, 1924, and March 3, 1927, when the necessary funds for that purpose are made available, and is based on correspondence and documents which will be submitted if desired.

Considering the importance of this matter, I have the honor to recommend that the Congress be asked to enact legislation authorizing an appropriation of $287,000 for the expenses of the American section of the International Water Commission, United States and Mexico.

Respectfully,

HENRY L. STIMSON.

Mr. SMOOT. Mr. President, I send to the desk the following amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 97, line 23, strike out the numerals "$76,100" and insert in lieu thereof "$76,220."

Mr. SMOOT. That increase is required in order to take care of increases in salaries.

The amendment was agreed to.

Mr. SMOOT. I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 108, in line 8, after the word "road," insert "and the President by proclamation may add any or all of such lands and/or Government lands to Yosemite National Park."

Mr. KING. Mr. President, I would like to have an explanation of the amendment, because there is a great deal of objection to the omnium gatherum executive proclamations under which the public domain, some of which is partially occupied, becomes a part of some national park.

Mr. SMOOT. Mr. President, this has reference to just a few little scattering pieces which, after a survey was made of the Yosemite Park, fell into private ownership. There is no objection so far as the owners are concerned, and it will result in the straightening out of the boundary of the Yosemite Park. That is all it is.

Mr. CRAMTON, speaking of this item, said on December 12, last:

> I learned a few days ago, after the bill was reported, that a certain source is prepared to contribute half the cost of acquiring this area if available at a reasonable price and donate the land to the Federal Government, which would be followed, of course, by acquiring a little niche which would straighten out the boundary of the park and add this area to it.

That is all there is to it.

Mr. KING. I shall not object to this amendment; but I do invite my colleague's attention, and the Senate's attention, to the fact that in Wyoming an effort is being made now to take away a part of the public domain and annex it to a park, and I understand that Mr. Rockefeller or some other generous person is willing to make a contribution for the purpose of buying the land owned by some individual to add the same, plus land which belongs to the Government of the United States, to the park.

My colleague will recall that a number of years ago we passed a law, as I recall, which took from the President the power to make wholesale withdrawals. If this amendment contemplated any substantial withdrawal, I should object to it.

Mr. SMOOT. I will say to my colleague that it does not. This is quite different from the general situation in regard to our parks. It has reference to the Mariposa grove of great trees. There are just a few acres there in private ownership. This simply authorizes the adding of that territory to the park, and private individuals will pay the most of the cost. It does not increase the appropriation a particle.

Mr. KING. Mr. President, the amendment reads: "and the President by proclamation may add any or all of such lands and/or Government lands to Yosemite National Park."

Mr. SMOOT. I have asked that the amendment be inserted in connection with the appropriation for the Yosemite Park, because it would be in that park. I can give the Senator a memorandum of all the sections of land in the park. I do not think there will be 20 acres of land involved, but they are all in little straggling pieces, owned by private parties, and this action should be taken.

Mr. KING. The objection I see to this amendment is that it authorizes the President to add any Government lands to Yosemite National Park, not private but Government lands. Under this broad language he could annex thousands of acres of contiguous Government land, and, indeed, it need not be contiguous.

Mr. SMOOT. I assure my colleague there is nothing more to it than what I have stated. It is to make provision so that no private individual will have a right to come into that great grove of trees stating that he wants to go upon that little piece of land.

Mr. KING. I sympathize entirely with the object which my colleague seeks to accomplish, but I am everlastingly opposed to the increase of Executive authority, and the manner in which this Executive authority has been used too often to withdraw public lands from occupancy by private individuals and throw them into some forest reserve or into some supposed governmental project, to the great disadvantage of the country, as a result of which thousands of acres, indeed millions of acres, have been locked up which should now be open to private entry by the people.

Mr. SMOOT. My colleague and I do not disagree one whit as to that. I can assure him that such a thing could not possibly happen under this amendment.

Mr. KING. I will let the amendment be adopted, as far as I am concerned, but before the bill leaves the Senate I shall offer an amendment providing that no lands shall be withdrawn by the President and added to this reservation except those to which attention has been called in the committee and which are contiguous to and necessary for the rounding out of the reservation. That is just a rough statement as to the provision I shall ask to have inserted.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the senior Senator from Utah [Mr. SMOOT].

The amendment was agreed to.

Mr. CUTTING obtained the floor.

Mr. McNARY. Mr. President, will the Senator from New Mexico yield to me?

Mr. CUTTING. I yield.

PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. McNARY. I desire to submit a request for unanimous consent and ask that it be read at the desk and then laid aside. I give notice that probably to-morrow at 12 o'clock I shall bring it up for action.

The PRESIDING OFFICER. The Clerk will read the proposed agreement.

The legislative clerk read as follows:

> *Ordered*, by unanimous consent, that, beginning with Monday, January 19, 1931, and continuing throughout the remainder of the month, the Senate meet at 12 o'clock meridian daily and continue in session on Mondays, Wednesdays, and Fridays until not later than 10 o'clock p. m., and on Tuesdays, Thursdays, and Saturdays until not later than 5 o'clock p. m.

Mr. WHEELER. Mr. President, will the Senator from New Mexico yield to me?

Mr. CUTTING. I yield.

Mr. WHEELER. I was going to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator yield for that purpose?

Mr. McNARY. Is that in connection with the proposal I have made?

Mr. WHEELER. No.

Mr. McNARY. I stated a moment ago that I did not intend to bring up the proposed agreement until to-morrow.

The PRESIDING OFFICER (Mr. COUZENS in the chair). If the Senator does bring it up, it will be objected to; I will say that much.

Mr. McNARY. There may be a change of mind on the part of some Senators by the time I bring it up. I suggest that hope, at any rate.

Mr. WHEELER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Caraway	Frazier	Hatfield
Barkley	Carey	George	Hawes
Bingham	Connally	Gillett	Hayden
Black	Copeland	Glass	Hebert
Blaine	Couzens	Glenn	Heflin
Borah	Cutting	Goff	Howell
Bratton	Dale	Goldsborough	Johnson
Brock	Davis	Gould	Jones
Brookhart	Deneen	Hale	Kean
Broussard	Dill	Harris	Kendrick
Bulkley	Fess	Harrison	Keyes
Capper	Fletcher	Hastings	King

McGill	Partridge	Shortridge	Tydings
McKellar	Patterson	Simmons	Vandenberg
McMaster	Phipps	Smith	Wagner
McNary	Pine	Smoot	Walcott
Metcalf	Pittman	Steck	Walsh, Mass.
Morrison	Ransdell	Steiwer	Walsh, Mont.
Morrow	Reed	Stephens	Waterman
Moses	Robinson, Ark.	Swanson	Watson
Norbeck	Robinson, Ind	Thomas, Idaho	Wheeler
Norris	Schall	Thomas, Okla.	Williamson
Nye	Sheppard	Townsend	
Oddie	Shipstead	Trammell	

The VICE PRESIDENT. Ninety-four Senators having answered to their names, there is a quorum present.

Mr. MOSES. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Hampshire?

Mr. CUTTING. I yield.

LITTLE BAY BRIDGE, N. H.

Mr. MOSES. Mr. President, the senior Senator from Vermont [Mr. DALE] has just reported from the Committee on Commerce Senate bill 5688, granting the consent of Congress to the State of New Hampshire to construct, maintain, and operate a toll bridge or dike across Little Bay at or near Fox Point. I ask unanimous consent for the present consideration of the bill.

Mr. BRATTON. Let it be reported.

Mr. MOSES. I will explain it to the Senator. It is a bridge bill in ordinary form, granting permission to the State of New Hampshire to build a bridge, and inasmuch as the Legislature of New Hampshire is now in session considering the appropriation for the construction of this bridge, unless the bill is passed speedily we shall be unable to go forward with the work.

Mr. NORRIS. Mr. President, will the Senator yield for an inquiry?

Mr. MOSES. I yield.

Mr. NORRIS. This bridge is to be built by the State of New Hampshire?

Mr. MOSES. Yes; over navigable water.

Mr. NORRIS. Does not the Senator know of any private individuals in New Hampshire sufficiently interested in building bridges in that State to construct this bridge?

Mr. MOSES. The Senator from Nebraska has kept the Senator from New Hampshire so busily occupied in Washington that the Senator from New Hampshire has not had an opportunity to hunt up such individuals.

Mr. NORRIS. The Senator is advocating the building of a bridge by his State?

Mr. MOSES. No; the State is advocating the building of the bridge by itself.

Mr. NORRIS. The Senator is trying to get a bill passed to give the State authority to build a bridge?

Mr. MOSES. The Senator from Nebraska is quite correct in that, and I hope he will not object.

Mr. NORRIS. I have no objection to it, but I am terribly afraid that it will very seriously affect private initiative to have the State of New Hampshire go into the bridge building business.

Mr. MOSES. We will take our chances on that.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of New Hampshire to construct, maintain, and operate a bridge and approaches thereto across the Little Bay at a point suitable to the interests of navigation, at or near Fox Point, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The title was amended so as to read: "A bill granting the consent of Congress to the State of New Hampshire to construct, maintain, and operate a toll bridge or dike across Little Bay at or near Fox Point."

POLITICAL ACTIVITIES OF ROBERT H. LUCAS

Mr. CUTTING. Mr. President, I want to invite the attention of the Senate to a few items which have been in the public news in the last few days, all of them centering around the person of Robert H. Lucas, executive director of the Republican National Committee. In bringing up these matters at the present time I do not desire that the Senate should think that I attach any particular weight to the activities of Mr. Lucas. They merely bring up a question which seems to me exceedingly fundamental with regard to the conduct of public affairs in the country, and especially our party system.

The first item to which I desire to invite the attention of the Senate is a letter written by Mr. Lucas on October 6, 1930, shortly after he had resigned the position of Commissioner of the Internal Revenue Bureau and accepted a position with the Republican National Committee. The letter is headed "Republican National Committee, Barr Building, Washington, D. C. Robert H. Lucas, executive director." It was sent out to the various employees of the Internal Revenue Bureau throughout the country. It reads as follows:

Dear Mr. Blank—

I do not read the name because naturally I should not like to get anyone in trouble. I can vouch for the accuracy of the letter—

Before leaving the office of commissioner I had intended writing you to express my appreciation of the splendid cooperation you had given me and to assure you of my gratitude for your loyal support. I became so busy, however, that in making the change to this new proposition I could not get to it at that time.

This position is one of great responsibility, but I am hopeful that with the help and advice of my friends I will be able to render a real service to the administration and the Republican Party.

I sincerely hope Mr. Lucas is gratified by the result of his efforts along these lines.

You can not, of course, take an unduly active part in politics—

And how characteristic it is of the man to try to clean his hands in that way—

You can not, of course, take an unduly active part in politics, but you can be a great help to me in keeping me advised of political conditions in your community. You are familiar with the political situation in your county and adjoining counties. If you will write me from time to time, letting me know just what is going on politically, such information will be of great value to me in my work.

I would like for you to fill in the inclosed card and return it to me in the inclosed envelope. This will give me a record of your home address and enable me to communicate with you more directly.

A very businesslike man, this Mr. Lucas, as Senators will observe.

I will appreciate it also if you will inclose a short statement, giving me your ideas of the present campaign and the result you expect in the coming election. When you are in Washington, come in to see me.

With all good wishes and kind personal regards, I am,

Yours very truly,

ROBT. H. LUCAS.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. CUTTING. I yield.

Mr. COUZENS. As I understand it, this letter was sent out to all of the employees of the Bureau of Internal Revenue in the field?

Mr. CUTTING. That is my understanding.

Mr. COUZENS. And these men check the income-tax returns of the taxpayers of the United States?

Mr. CUTTING. Exactly so.

Mr. COUZENS. Does not that confirm the view I took some years ago that the Commissioner of Internal Revenue can control the politics of the Nation?

Mr. CUTTING. Absolutely. The position which the Senator from Michigan has taken from the beginning is completely confirmed by this letter from the—I was about to say from the Commissioner of Internal Revenue, but from a man upon whom the employees of the bureau had learned to look as their chief.

Mr. JOHNSON. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from California?

Mr. CUTTING. I yield.

Mr. JOHNSON. May I inquire of the Senator from Michigan and the Senator from New Mexico if the obvious conclusion from what they say is that the internal-revenue collectors of the United States, acting for the department in Washington, through internal-revenue taxation, are endeavoring to or do actually control the politics of the United States?

Mr. CUTTING. I do not wish to draw any conclusions other than those which any Senator is able to draw from the evidence. These employees, of course, are supposed to be technical employees. They are supposed to be men who figure up the income-tax returns. They are not supposed to be political experts and yet this whole letter has to do with political conditions in their communities:

> You are familiar with the political situation in your county and adjoining counties.

What does it mean, with all due respect to the Senator from California, if it does not mean something of the sort which he describes?

Mr. JOHNSON. The Senator will pardon me for interrupting what he is saying in this regard, but exactly what it does mean is perfectly obvious to the ordinary man who knows anything about what is transpiring politically. I was only accentuating the position which has been taken by the Senator from Michigan, to make perfectly plain what ought to be obvious—that by virtue of taxation and control of income-tax returns, the politics of the various States and of the Nation are sought to be controlled.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Iowa?

Mr. CUTTING. I do.

Mr. BROOKHART. Is there not another suggestion to add to what the Senator from California just said, and that is in relation to the two or three billion dollars of rebates which have been made after the taxes were paid?

Mr. CUTTING. I think there is no doubt that that element enters into the situation.

Mr. KEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. CUTTING. I yield.

Mr. KEAN. I would like to ask whether this same thing did not control the politics of the United States when Mr. Harding was elected, at a time when every officer of the Internal Revenue Bureau and every tax collector was a Democrat?

Mr. BROOKHART. I would like to ask if the Senator considers that a defense of this Republican delinquency?

Mr. KEAN. I do not consider it any defense; but I think it is true that whether they are Democrats or Republicans does not make any difference to the great voters of the country, and that no Internal Revenue Bureau or anyone else can control the free will of the American people.

Mr. CUTTING. I quite agree with the Senator in that respect. I do not believe any Internal Revenue Bureau can control the will of the American people, but I feel very strongly that this is an attempt by an outgoing head of the Internal Revenue Bureau to do exactly that thing. Whether it was successful or not is entirely outside of the issue. Mr. Lucas, the Republican executive director, attempted to use these revenue experts as political agents, political spies, if one wishes to use that word, in their respective communities to furnish the Republican National Committee with information which they think may be of political benefit. He has them all card indexed; he has their names and addresses, and he feels that he can appeal to them at any time he chooses. That is just one thing in connection with Mr. Lucas that has appeared in the last few days.

Mr. COUZENS. Mr. President, will the Senator yield before he leaves that point?

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Michigan?

Mr. CUTTING. Certainly.

Mr. COUZENS. I think it would be interesting to know where the former Commissioner of Internal Revenue got that list. He obviously must have taken it out of the Internal Revenue Bureau when he left; otherwise he would not have known of all of these people to whom to mail the letter.

Mr. CUTTING. Obviously, the Senator is correct.

In the last few days we have also seen a request made by former Gov. Alfred E. Smith to Mr. Lucas to make an apology for a misquotation which he made of some of Governor Smith's campaign utterances. Mr. Smith denied that he made the utterances.

Mr. President, I have no brief for the late Democratic candidate for the Presidency. I did everything in my humble way that could be done to defeat him for election and to elect his opponent, the present President of the United States. But Governor Smith is as much entitled as any other citizen to a square deal. He is entitled not to be lied about. Now, when he brought up the fact that Mr. Lucas had misquoted him, the only reply was that Mr. Lucas would apologize when Governor Smith stated that he would alter his position on prohibition or something else that had no bearing whatever on the subject.

The memory of the American people and the memory perhaps of some Members of the Senate is rather brief, and therefore I would like to call to their attention again exactly what it was that Mr. Robert H. Lucas did which started all this criticism of him.

In the first place, he used a fake name, the name of one "John M. Fetters," whom he has been unable to identify. Although this discussion has been going on for a month no evidence has been forthcoming that there is such a man in the world. Lucas used that name. Some testimony—and if I am incorrect, the Senator from North Dakota [Mr. NYE] will correct me—was given that he went to a cabinet and picked out a card with the name of Mr. Fetters on it. If so, it may be that Mr. Fetters's name was in his card index of the Revenue Bureau employees, or it may be that it was from some other card index which he may have kept for the purpose of having a number of names in the nature of alibis which he could use in case of necessity for such use. At any rate, Mr. Lucas is unable to identify Mr. Fetters, and nobody else has been able to identify him. He used the name of Fetters to send out this propaganda.

He sent out a false quotation from Governor Smith, and he accompanied it with a cartoon which misinterpreted the misquotation from Mr. Smith to imply that Mr. Smith was an advocate of the open saloon. He sent that cartoon out in order to elect a wet and defeat a dry. So much for the cartoon.

Mr. President, at the same time Mr. Lucas circulated another piece of publicity, of which I exhibit a copy. It purports to be a letter from somebody named J. M. O'Shea, which Mr. Lucas claims he was sending to Democrats in the State of Nebraska. Mr. J. M. O'Shea—and again I pause for correction if I am in error—has not so far been identified by anyone. Nobody in all the discussion has been able to prove that there is any such man as J. M. O'Shea in any position of this kind.

The purported letter is headed—

1932 Democratic Victory Scouts.

So far, nobody has identified any such organization—

1932 Democratic Victory Scouts, New York City.

That is the address at the head of the letter, and it will be observed later on that the man who wrote the letter is supposed to be asking for an answer from all those to whom the letter was sent. Does anyone think that an answer could be received at such an address as "1932 Democratic Victory Scouts, New York City"?—

October 1, 1930—

The name of the addressee has been erased—

OMAHA, NEBR.

DEAR SIR: I am taking the liberty of writing you, as a fellow Democrat, on the assurance of a friend, who furnished your name, that I may do so in confidence.

Apparently the friend's advice was not very valuable, because the confidence was violated and this letter was directed through some channel or other to Mr. Lucas:

Senator NORRIS has represented your State in the United States Senate with great credit. He has seldom opposed our program—

That is the program of the "1932 Democratic Victory Scouts," whatever their program may be.

He has kept up the fight in the Senate. He has rendered valuable assistance in bringing about the present political situation which gives us a splendid chance to control the next Congress.

I do not know whether the "1932 Democratic Victory Scouts" are in control of the next Congress or not, but I leave that to those who are better informed.

Senator NORRIS's support of Governor Smith in 1928 was at a great sacrifice to himself, endangering his political career. But with our assistance he will come through safely.

Hitchcock may profess to be with us now, but we can not depend upon him in 1932.

In other words, they can depend upon the Senator from Nebraska to aid them in 1932, and this is the way he can aid them, as mentioned in the next sentence:

We will need Nebraska's delegates in the next Democratic convention if we are to retain party control.

In other words, the Senator from Nebraska, controlling the Nebraska Democratic delegation, will go into the National Democratic Convention and support the program laid down by the "1932 Democratic Victory Scouts."

But aside from that—

Says the letter—

Senator NORRIS has proven himself to be our friend. He has stood the test as few men have. In ordinary gratitude, therefore, our Democratic friends in Nebraska will and should support him.

May we count on you?

Yours very sincerely,

J. M. O'SHEA, *Manager*.

I submit to the Members of the Senate and to any fair-minded citizen that nobody in his right senses could think that that letter had actually been sent to anybody by anyone in an official position or any other kind of responsible position. The letter asks whether or not the author may count on those to whom it is sent. He gives no address outside of the vague "1932 Democratic Victory Scouts, New York City." He states, in almost every sentence, things which everybody knows to be utterly untrue. What would any decent man do on receiving a purported letter of that kind? Would he not at least make some investigation? The director of the Republican National Committee made none.

Compare the vagueness of this letter with the very specific direction which Mr. Lucas himself laid down as applying to the employees of the Bureau of Internal Revenue when he asked them for information. Yet when he saw this letter he felt no doubts, but sent it out to Nebraska at his own expense; and this is the heading he put on it—

This is the kind of appeal coming from New York from Tammany for NORRIS.

There is not a word about Tammany in even this fake letter. Tammany is introduced for the first time in the headline.

This is the kind of appeal coming from New York from Tammany for NORRIS.

Down below it says:

Can you beat it? You certainly can on November 4, by voting for Hitchcock for Senator.

Of course, Mr. President, Mr. Lucas did not think for a moment that that was a genuine letter; he did not even claim on the stand that he thought it was a genuine letter. He said he did not care whether it was genuine or not, that that did not make any difference. He thought he would distribute it just the same. When a man makes a statement of that kind, I conceive there is nothing else that he may say on that or on any other question worthy of a moment's consideration.

Mr. WALSH of Montana. Mr. President——

Mr. CUTTING. I yield to the Senator from Montana.

Mr. WALSH of Montana. I inquire of the Senator from New Mexico where Lucas purported to have procured the letter?

Mr. CUTTING. As I remember the testimony, with which the Senator from North Dakota is much more familiar than am I, he said he procured it from a letter signed by John M. Fetters, whose identity he did not know, but, as he received the letter, he thought the best thing to do was to circulate it.

Mr. WALSH of Montana. Did he himself admit having drafted the letter?

Mr. CUTTING. No; he did not admit anything like that.

Mr. WALSH of Montana. Is there any other conclusion, however, to be derived from the incident?

Mr. CUTTING. Well, Mr. President, I should say that was a possible conclusion. At any rate, if he did not concoct that letter himself it was concocted by somebody else within a radius of about 2 miles from the place in which we are at present. I can not see any other conclusion than that.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Montana?

Mr. CUTTING. I yield.

Mr. WHEELER. As I understood the Senator, he is of the opinion that it is merely a forged signature that is attached to the letter, and that Mr. Lucas has either forged it or connived in the forging and circulation of a forged letter?

Mr. CUTTING. Well, Mr. President, I think it is obviously a fake letter. I would not accuse Mr. Lucas of forging the signature or even conniving in the forgery, but if he did not do either one of those things he is certainly the least intelligent man who ever directed the affairs of a political party, because he claims that he thought that this letter might be genuine, and no man with ordinary sense could for a moment believe that such a letter as that was genuine.

Now as to the money which was used in Nebraska. Mr. Lucas claimed that it was his own money; that he had borrowed it from a bank here in Washington and that the security for the loan was money of the Republican National Committee deposited in the same bank. I leave to banking experts the question of deciding whether it was proper to use trust funds of the Republican National Committee to secure what Mr. Lucas claims is a purely personal loan. I do not know that there is much question about it, because Mr. Nutt, the treasurer of the Republican National Committee, went on the stand and himself testified that Mr. Lucas had exceeded his authority in pledging National Republican Committee funds for such a purpose. That was the story he told.

When this thing came to light, by complete accident, so far as Mr. Lucas is concerned—for the revelation was totally unexpected by him—when the evidence was so strong against him that he could not deny it, he went on the stand and gloried in it. He then issued a statement to the press stating that he had taken such action because

the Senator from Nebraska was not a good Republican. I do not care to deal with the issue of Senator NORRIS and his Republicanism, because I have already discussed it at considerable length; but the point I want to emphasize now is the use by Mr. Lucas of the Republican National Committee to carry on his personal fight against the Senator from Nebraska.

On December 24 Mr. Lucas sent out a letter to all the precinct leaders in this great country which on the last page contains Mr. Lucas's letter denouncing the Senator from Nebraska as a bad Republican.

I suppose that this letter was paid for by the Republican National Committee, and yet I do not see how that could be when Mr. Lucas himself went on the stand and said that it would have been improper for the national committee to have paid the expenses of the fight that he waged against the Senator from Nebraska in the 1930 campaign. Yet here it is. It was sent to every Republican precinct leader in the United States. It is headed—

From the executive director to the precinct leader.

It is a little lengthy, but I should like to take the time to read it to the Senate, because there is so much in it that is really of vital importance in one's estimate of what is going on in this country at the present time. The letter concerning Senator NORRIS appears on the fourth page of this pamphlet. The other pages read as follows:

From the executive director to the precinct leader.

I omit the entire letterhead, which, however, begins:

Republican National Committee. Chairman, SIMEON D. FESS; executive director, Robert H. Lucas.

I am very sorry, however, that the chairman of the Republican National Committee is not in his usual seat, because he might have something very valuable to contribute to this discussion. At any rate his name is on this paper and so is the name of Mr. Lucas. It goes on as follows:

I want to thank you sincerely, on behalf of the Republican National Committee, for your splendid assistance and cooperation in behalf of the Grand Old Party in the last campaign. The precinct organization is the foundation stone of the party. The precinct leader holds a position of tremendous importance in the party organization. The national committee has a genuine appreciation of the helpful service you have given the Republican Party.

While the Republican Party lost a number of congressional districts, we do not concede anything more than the usual off-year losses, accentuated to some extent by the business depression and unemployment. In the off-year election of 1922 we lost 75 congressional seats. In this off-year election we lost only 51. In the presidential election of 1924 we carried the country with an impressive majority. In the presidential election of 1932 we shall do likewise.

The Democratic claim of a landslide is pure propaganda. It is based upon the results in such States as Massachusetts, Ohio, New York, Illinois, South Dakota, and Minnesota. Yet, on a total vote in the congressional races, Republicans carried Massachusetts by more than 100,000 majority. We carried Ohio by more than 44,000 majority. New York was lost by a comparatively narrow margin, but Illinois gave a substantial majority for the Republican candidates in the congressional races. In South Dakota Republican candidates for Congress received 50,000 more votes than the Democrats. In Minnesota our congressional vote was 347,000 in excess of that received by the Democratic candidates.

The fact of the matter is, to be able to elect a Republican majority to Congress in the face of the most unusual adverse conditions which confronted us in the recent campaign, is, in reality, a great victory for the Republican Party. It is an evidence of the strength of the Republican administration with the people and, above all, a demonstration of the courage and loyalty of the Republican organization.

This is from the great political expert who has been put in charge of the destinies of the Republican Party.

President Hoover, experienced in ways of business and expert in handling big things, in spite of the world-wide depression and unemployment, has sustained the American scale of wages—maintained the American standard of living—prevented a nation-wide money panic, and kept thousands of men and women at work in every community who would have otherwise been listed among the unemployed. But for the wise and able leadership of President Hoover when the crisis came a disastrous panic would have surely followed.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Montana?

Mr. CUTTING. I should prefer, if the Senator does not mind, to finish reading this letter.

Mr. WHEELER. I merely want to inquire with reference to one paragraph, and ask the Senator if he can point out some community of the United States where the President's actions have kept up the wages of the laborers and kept anybody at work?

Mr. CUTTING. The Senator from New Mexico is unable to do so.

The past year, however, has disclosed a well-laid plan by the Democrats to embarrass the Republican administration and to discredit the President of the United States. And there has been no let-up in Raskob's "smear Hoover" campaign. To win in 1932 the Democrats must destroy the Republican leader. By subtle innuendo and insidious propaganda, which is being carried on by Raskob's organization in every community in the United States, they hope to break down the people's confidence in Herbert Hoover and thereby elect a Democrat in 1932.

Will Republicans stand by and permit this thing to go on? Not if they know about it. Our people must be aroused to the situation! Precinct organizations must be encouraged to carry on the fight! For only through the precinct organizations can we combat the Democratic assault. The Raskob plot must be exposed and killed! The Republicans must take the offensive and wage an aggressive campaign against this propaganda! Those of us holding positions of leadership in the Republican organization are looked to to lead the fight. That is our job and it will be done.

As precinct leader you can give great assistance to your party and your administration if you will keep your precinct organization active throughout the year. Talk to your neighbors! Stand up for your party! Defend the President! Keep the truth before the people! We are looking to you to protect the Republican Party in your precinct.

The national committee will carry on an aggressive, active, determined campaign from this day until the polls close in 1932. With your assistance—your advice—your cooperation in building up the Republican organization and keeping the truth before the people victory will be ours.

With the compliments of the season and all good wishes, I am,

Yours very sincerely,

ROBERT H. LUCAS,
Executive Director.

This letter was written on December 24.

On the third page of this immortal pamphlet is a picture of Lincoln; and the document goes on as follows:

LINCOLN'S BIRTHDAY

REPUBLICAN NATIONAL COMMITTEE,
Washington, D. C.

On the evening of February 12, 1931, the Republicans of the Nation will meet in their respective localities to honor the name of Lincoln, to reaffirm their faith in the principles for which he lived, and to renew their devotion to the Republican Party for which he died.

At 10 o'clock p. m., eastern standard time, President Hoover will deliver an address on Lincoln over a nation-wide radio hook-up. The President's speech will be made at the desk at which Lincoln sat as he directed the destiny of the Nation 65 years ago.

President Hoover's speech by radio will be made the principal address of each of the many Lincoln memorial meetings to be held throughout the country. Such a meeting should be arranged for your county by your local organization.

There is magic in the name of Lincoln—his life an inspiration—his memory a shrine at which we may rededicate ourelves to the Republic he saved. The coming together of Republicans under these auspices will surely reinforce the party spirit and fire anew our enthusiasm for the task ahead of us.

May I ask your cooperation in bringing together your Republican friends and neighbors on this great occasion?

Very sincerely yours,

ROBT. H. LUCAS, *Executive Director.*

Mr. President, so far as may be in my power, I wish to indorse the appeal made by Mr. Lucas that everyone should get together on Lincoln's birthday and do honor to his memory. I hope that the President of the United States, in the great address which he is going to deliver on that occasion, may quote such statements of Lincoln as this:

I stand with anybody that stands right. I stand with him while he is right, and I part with him when he goes wrong.

Perhaps the President will also quote a statement of this sort, which is characteristic of many of Lincoln's remarks:

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow. The money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands, and the Republic is destroyed. I feel at this moment more

anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless!

That is what Lincoln said a few days before he was assassinated. Does it read to the Senate like the utterances of Robert H. Lucas? Does it read like the utterances of the present President of the United States? Does it not read a little more like the utterances of the Senator from Nebraska [Mr. NORRIS], who is now being drummed out of the party as an untrue Republican and unfaithful to the memory of Lincoln?

I should like to call the particular attention of the Senate to that statement of Lincoln's, however. It seems to me very pertinent to this discussion:

I stand with anybody that stands right. I stand with him while he is right, and I part with him when he goes wrong.

Lincoln did not say, "I stand with him while he is right, and if he goes wrong the White House refuses to take any part in this discussion." He did not say, "I stand with him while he is right, but if he has a fight with somebody else who is wrong I will say that both men should be removed from office, because they are both engaged in bickering." He said:

I stand with anybody that stands right. I stand with him while he is right, and I part with him when he goes wrong.

If that is not good Republican doctrine, it at least was the doctrine of President Lincoln.

Of course, it would be unfair to charge anyone in high office with the concoction of such a letter as this. I certainly condole with the President of the United States that a document which is obviously circulated in order to promote his candidacy for renomination should be signed and indorsed by a man of whom the New York World this morning says:

It is fortunately not often that the annals of American politics chronicle the commission of so many dirty tricks by one man in so short a time.

That is the man who is using the money of the national committee to promote the candidacy for renomination of the President of the United States. I think Mr. Hoover is to be pitied and condoled with that he can not, if he is a candidate, separate his candidacy from a man who, in the last few weeks, has been so completely discredited and disowned by the decent element of his own party.

Is that a proper use of the national committee? The national committee is an agency of the Republican voters. It is not a committee designed to lay down laws to the voters.

I want to call the attention of the Senate to another matter, less flagrant perhaps, but bringing out the same point. I am sorry to do it in the absence of the Senator from Ohio [Mr. FESS], the chairman of the Republican National Committee, but I had hoped that he would come into the Chamber at some time in the course of my remarks.

It will be remembered that the Senator from Michigan [Mr. COUZENS] a few weeks ago criticized the President's plan of railroad consolidation. Whether the Senator from Michigan was right or not in his criticism is beside the point. The Senator from Michigan gave out his point of view to the press. The Senator from Ohio [Mr. FESS] thereupon replied to the Senator from Michigan; but instead of giving his interview out as an individual through the press he gave it out through the Republican National Committee. Here is the Republican committee release which was sent from the headquarters:

REPUBLICAN NATIONAL COMMITTEE,
BARR BUILDING,
Washington, D. C., December 31, 1930.

IMMEDIATE RELEASE

Senator FESS, of Ohio, chairman of the Republican National Committee, speaking as a member of the Senate Interstate Commerce Committee, replied vigorously to-night to the statement of Senator COUZENS, of Michigan, chairman of that committee, opposing the President's action in facilitating a consolidation plan of four great eastern trunk-line systems.

I shall not read the whole statement, though I ask that it be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The statement is as follows:

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Washington, D. C., December 31, 1930.

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Senator FESS, of Ohio, chairman of the Republican National Committee, speaking as a member of the Senate Interstate Commerce Committee, replied vigorously to-night to the statement of Senator COUZENS, of Michigan, chairman of that committee, opposing the President's action in facilitating a consolidation plan of four great eastern trunk-line systems. The Senator's statement follows:

"As one member of the Senate Interstate Commerce Committee, I wish to state that Senator COUZENS's publication this morning is unjustified. The President has done an enormous service to the country in securing a forward step in solution of the railway problem, especially in these times when we so sorely need increased stability and enlarged employment.

"In this step the President has directly followed the desire that Congress has expressed in the law—that the railways should initiate consolidation proposals to the Interstate Commerce Commission. He has succeeded where there has been 10 years of failure in what the act of 1920 authorized. He has taken no position on the details of the plan. He has scrupulously stated that 'the plan must be submitted to the Interstate Commerce Commission, who have the independent duty to determine if it meets with every requirement of public interest.'

"Mr. COUZENS, without waiting to hear the full plan or hearing anything as to its values, being himself opposed to consolidations as provided by law, is endeavoring to prevent the Interstate Commerce Commission from exercising its independent functions. He is, in fact, saying that even if you find merit in the plan now proposed you must discard it, because the President took the initial step in requesting the railways to present the plan; that you must discard it to show your independence from the President.

"In other words, the Senator, perhaps without thinking, is directly intimidating the Interstate Commerce Commission in order to carry out his private views, which are opposed to the intent of the law."

Mr. CUTTING. I shall read the last few paragraphs:

Mr. COUZENS, without waiting to hear the full plan or hearing anything as to its values, being himself opposed to consolidations as provided by law, is endeavoring to prevent the Interstate Commerce Commission from exercising its independent functions. He is, in fact, saying that even if you find merit in the plan now proposed you must discard it, because the President took the initial step in requesting the railways to present the plan; that you must discard it to show your independence from the President. In other words, the Senator, perhaps without thinking, is directly intimidating the Interstate Commerce Commission in order to carry out his private views, which are opposed to the intent of the law.

Mr. President, I do not criticize the Senator from Ohio for stating his views publicly in any way that he chooses. I do not think he could have made statements of this sort about the Senator from Michigan on the floor of the Senate without subjecting himself to the rules of the Senate; but he did not make this statement on the floor of the Senate. He made it, as was his right, through the columns of the press. I do, however, deny the right of the Republican National Committee to broadcast and publish the views of any one Republican Senator criticizing another Republican Senator. The Senator from Michigan, Mr. COUZENS, was nominated by the Republican voters of his State and selected by the people of his State, just as was the Senator from Ohio; and he has exactly the same right to have his views circulated by the Republican National Committee that the Senator from Ohio has to have his views thus circulated.

I do not see how anyone can deny that. In view of that, and in view of the Lucas statements, I ask the Members of the Senate seriously to consider, What is the function of a national committee? What is the function of party organizations at all? Are they not merely means to an end? Your party is not an end in itself. It is a way by which the voters can express their wishes. The national committee is clearly the national agency of the Republican voters; and, that being the case, what is this question of party regularity which has been brought up at us continually by Mr. Lucas and his supporters?

Mr. Lucas himself voted the progressive ticket in 1912. Mr. Hoover came out with a Democratic appeal in 1918. The Senator from Nebraska [Mr. NORRIS] supported the Democratic candidate in 1928. What is the difference? One was in 1912 and one was in 1918 and another was in 1928. Mr.

Lucas says we can not go back into past history. So far as this election was concerned, 1928 was just as much past history as 1918 or 1912. The only thing that had to be decided was the election of 1930, in which, in the primary campaign, the Republican voters of Nebraska decided that Mr. NORRIS was their candidate for the United States Senate.

Mr. President, the question was asked Mr. Lucas when he was on the stand claiming that the Senator from Nebraska was not a good Republican, "What is a Republican?" What did he answer? We might think he would have answered that a Republican is a man who believes in centralized government, or in strong federalization against the rights of States, or in a protective tariff, or in nationalism.

He made no such answer at all. His answer was, "A Republican is a man who votes for Republican candidates."

If anyone had gone farther and asked Mr. Lucas for a definition of Republican candidates, he undoubtedly would have replied, "Republican candidates are candidates who are nominated by Republicans."

There you get the vicious circle. If the Republican Party means nothing except something which can be defined only in terms of itself, then it means very little. Has this party any principles; and if so, what are they?

Does not the same reasoning apply to the party on the other side of the aisle? Can anyone define what a Democrat is except in terms using the word "Democrat"? If that is not so, why should any honest man be asked to violate his conscience and his principles in order to support some particular party organization?

The founders of the country, the fathers of the Constitution, did not contemplate parties. They thought a party was a great evil. They called it in those days a "faction." As the citizens of the United States became factional, as they supported one side or the other of some particular great issue, parties developed, and quite rightly.

It is a useful thing for the country that when a great issue comes up like the issue between Hamilton and Jefferson, like the slavery issue, like half a dozen others which have wracked the country at different times, there should be parties taking up the two sides of the question. But is that so now; and if it is so, why can no one define what a Republican or what a Democrat is except in terms such as Mr. Lucas has used?

It is not so in other countries. Everybody knows what the Conservative Party, what the Liberal Party, what the Labor Party, stand for in England. Everybody knows what each of half a dozen or a dozen groups in the German Reichstag stands for. It is perfectly easy to define. But we can not tell the voters what we stand for except using terms which are archaic and which have no bearing in the present-day situation.

I have seen a great deal in the papers about what are called insurgent Republicans, progressive Republicans, whatever you want to call them. There are Senators on the other side of the aisle who share the views of such Republicans. These men have been criticized for being "obstructionists."

Whatever else this group may be, they are not obstructionists. They have a definite point of view about governmental affairs. Their point of view may be wrong. They may be too weak to accomplish anything. They may be insignificant in numerical strength. They are not obstructionists. They at least have a definite program, the kind of a program on which, if parties were organized in some logical way, a party might at some time in the future be built up.

Yet those are the Senators who, by the present criterion of the Republican National Committee, are to be read out of their party because they are not loyal; because they are not good Republicans.

I submit that it is not a source of pride to the people of the United States that their parties are divided along lines which mean nothing with respect to national issues. So long, however, as the parties are drawn up along those lines there is only one criterion as to whether a man is a Republican or a Democrat, or a member of any other party, and that is the decision made by the voters; by the rank and file of his own party at the primaries. That is the test which Mr. Lucas fails to see; which the distinguished senior Senator from Ohio [Mr. FESS], the chairman of the Republican National Committee, fails to see.

I do not blame the Senator from Ohio for the troubles of his party. He is merely the titular chairman. The actual executive director was not selected by him but by the members of the committee. But I do feel that in common regard to the rank and file of the Republican Party, to the honest men and women who vote the party ticket, who were not responsible for the disgraceful acts committed by the national committee in the last few months, the Senator from Ohio, merely, if you like, as titular chairman, owes it to his party to take a firm stand on this absolutely clear case between right and wrong.

I think that the members of the party who stand in higher places than the Senator from Ohio, who hold more actual party power, who have never repudiated Mr. Lucas, who have never repudiated his methods, owe it to themselves and to their reputation in history to take a stand as between right and wrong.

As Lincoln said, I stand with anybody who stands right; I stand with him while he is right; and I part from him when he goes wrong. Can anyone interested in his party allow this sort of thing to go on without rebuke and without criticism? It is not a question of Mr. Lucas. Mr. Lucas is merely an infinitesimal issue over which this basic problem has arisen. I do not care whether Mr. Lucas spends the rest of this life in the employ of the Republican National Committee or not. I do care, and I consider that it is entirely vital, that the Republican Party, through the men who are actually in power, who actually control the party organization, should repudiate these disgraceful and outrageous methods which Mr. Lucas has practiced and publicly indorsed.

MESSAGE OF GOVERNOR LA FOLLETTE TO WISCONSIN LEGISLATURE

Mr. BLAINE. Mr. President, I present and ask leave to have published in the RECORD the message delivered on yesterday by Gov. Philip F. La Follette to the Legislature of Wisconsin.

There being no objection, Governor La Follette's message was ordered to be printed in the RECORD, as follows:

Fellow citizens of the legislature, 37 years ago Frederick Jackson Turner, of the University of Wisconsin, gave a new interpretation to American history. He recorded the fact that both the character and conduct of our democracy and of our institutions had been determined by the frontier. He noted that the census of 1890 revealed the practical disappearance of that frontier. He predicted that the absence of a frontier would affect the American future as profoundly as the existence of a frontier had affected the American past.

All this has a very direct and practical bearing upon the problems we are about to face in this legislative session. In our day, as in the days of our pioneer fathers, the goal of socially sound politics is the guaranty of freedom and opportunity. In the days of our pioneer fathers the free lands of the frontier gave this guaranty of freedom and opportunity. If the door of opportunity was closed to men in the East, it was open to them in the West. The frontier was thus a kind of social safety valve. Men do not take naturally to destructive revolt. They would rather move to a new opportunity than make war on an old oppression. And as long as the frontier existed, men were free to bundle their families into covered wagons and move West to a new freedom and a new opportunity. But in one respect the frontier was a liability as well as an asset. For as long as this freedom of movement to new opportunity existed, neither the leaders nor the people were under the pressure of necessity to keep the political, social, and economic processes of American life progressively adapted to changing needs and changing conditions. But in 1890, as Turner suggested, the free lands of the frontier were reaching exhaustion. And the end of free lands meant, to an important degree, the end of free movement to new opportunity.

To-day, if we find our freedom restricted and our opportunity denied, we can not seek a new freedom and a new opportunity by running away from these restrictions and denials into some new territory. We must find our freedom and make our opportunity through wise and courageous readjustments of the political and economic order of State and Nation to the changed needs and changed conditions of our time.

Wisconsin, more promptly than any other State, saw what the passing of the frontier meant for her people. About the time Turner was writing his pamphlet, Wisconsin was the scene of an organized political effort to reinterpret and to make again effective the ideals of the older America in terms of the changing conditions.

In Wisconsin, pioneer lumbering, the old agriculture, and local trade were giving way to an industry and an agriculture dependent upon wider markets, the corporate organization of business, and to an economic life generally that was increasingly marked by complex and indirect relationships. A new kind of society was in the making. And in this new society the railroad corporation was a dominant force. It exerted a decisive influence over farmer and business man through its power to fix the costs and services of transportation. And, to preserve its decisive influence in the economic life of the State, it sought, and successfully sought, to dominate the political life of the State. The full burden of industrial accidents incident to the development of industry was then falling upon the industrial worker. These and a score of other changes I need not here rehearse marked the new society that was in the making.

The old guaranty of freedom and opportunity that the frontier gave was gone. The new society that was arising was the product of an unguided economic change. It was not a carefully planned change, with the planners deliberately devising a social and economic order in which the rights of the individual would be protected and the interests of the individual promoted. The individual citizen of Wisconsin was finding his freedom and opportunity increasingly hampered by impersonal processes which he found hard to understand and seemingly impossible to control.

The effort of this new political movement in Wisconsin was to find a new equivalent for the old opportunities offered by the frontier. As we look back upon this movement, we see it as an attempt to re-create an equality of opportunity that had been lost sight of in the society that was arising. The public agencies established by this political movement were but added arms of the workshop, the farm, and the home, extended to protect the men, women, and children of Wisconsin from the insecurity and injustice that follow unguided economic change.

For 30 years this new political movement, to which the name Progressive has been given, has been an active force in the life of Wisconsin, either carrying the responsibility of administration or exercising the equally important duty of critical opposition. In the recent election, we who to-day represent this movement were given a mandate to bring its philosophy and its program to bear upon the problems that now confront this Commonwealth. It is my duty to place before you the views of the chief executive officer of the State regarding the application of the program we are pledged to initiate.

To-day some of the material effects of the great World War are becoming clearer to us. Four years of destruction and hatred have brought their delayed revenge. These effects have long been felt in Europe. Ancient dynasties have fallen, leaving representative institutions reeling under successive shocks that jar every individual and every institution. Although some of our national leaders attempted to assure us that we had reached a new permanent and unassailable level, those predictions have proved false. The collapse of a hectic speculation has left us disillusioned. Have we, from our 40 years of experience, any wisdom to contribute, or is our message obsolete?

Let us be frank. The premises on which in the past our program has been based are now fiercely assailed from two extremes. Often these extremes are identical, despite their common antagonism. From one comes the assurance that the rôle of the individual is ended; that a bankrupt social system must inevitably pass into the receivership of a class dictatorship to be discharged in an unspecified Utopia. From the other extreme comes an equally absolute assurance of the failure of democracy. The superior man, it is argued, must be given absolute power; representative institutions are corrupt and time wasting. There are some in our own country who find this superman in a section, narrowly defined, of the very rich. Let the Congress and the legislatures adjourn, they argue, and this little group which two years ago was assuring us of permanent prosperity will solve our problems.

These views, in some form, are held by those in power in several countries in the world to-day. They are held by large numbers of people in every political community. There is belief in direct action as a short cut to the solution of social issues. There is confidence in the guidance of that direct action by a small, arrogant, and self-selected group. These notions are found in their crude expression in the lynching mob. In a refined form, they are expressed in a confidence in the all-embracing wisdom of the worldly successful.

The question that we as a responsible Government must answer is: Can society direct, with reasonable wisdom and justice, the activities through which it secures its livelihood, comfort, and enjoyment? Can Wisconsin do this through enlightened economic leadership and through popular government based upon careful research, wise counsel, and decisive action?

We shall answer this question not by what we say but by what we do. To those who believe in a society in which freedom and opportunity and security for the individual have a place, I can not overemphasize what our failure to discharge the responsibility now upon us might mean. Unless we solve our problems through the peaceful processes of intelligent economic leadership and responsible government, forces beyond our control will inevitably attempt to solve them by some form of direct action.

The chain and monopolistic developments in banking, distribution, and the denial of opportunity for a decent and assured standard of living for the farmer and industrial worker are depriving our citizens of equality of opportunity.

Under present conditions, access to certain fundamental resources and services is essential for opportunity and freedom. Among these essentials are credit, mechanical power, substantial equality of bargaining power, education, and a government through which social problems beyond the control of the individual can and will be met and mastered.

In past years Wisconsin widened the opportunity of the frontier farmer. Wisconsin lessened the burden of the costs of industrial accidents upon the wage earner and the enlightened employer. Wisconsin insisted upon principles in the fixing of transportation rates common to all users.

To-day we can not mark time when new forms of credit control, new forms of power development and distribution, and new forms of corporate organization are almost daily bringing economic dislocations.

New agencies and new policies established in this State in the first decade of the century which were fiercely assailed as invasions of individual rights are now seen to be essential to sound business and industrial development as well as to the protection and freedom of opportunity for the individual. When many of these new agencies and new policies were established it was predicted that they would drive industry from the State. Almost every one of these agencies and policies, however, have since been widely copied in other States, and their principles incorporated into the structure and management of the Nation's greatest industries. Our own industrial growth is outstanding. Our financial position, free from bonded debt, is to-day stronger than that of States which have been reluctant to grapple with the problem of taxation. Through setting a proper standard in regulating the issuance of securities we protect the savings and investments of our people so far as lies within the power of the State. We hold here that the wealth of society is greater and industrial development best insured when the widest opportunity for all is positively promoted by public action than when the development of great fortunes is favored in the hope that that prosperity may trickle down from them to the mass of people.

Before proceeding to a detailed discussion of legislation on problems I want to speak briefly of certain changes in political procedure that seem essential to a sounder functioning of Wisconsin's government.

If popular government is to provide a satisfactory alternative to dictatorship or direct action, the procedure by which it makes and administers policy must, I suggest, be marked by four distinct steps, namely: First, it requires ample consultation and study among representatives of the groups affected. Second, from such consultation the resulting program must be presented to the legislature by some group ready to assume responsibility for its advocacy. Third, ample opportunity for legislative criticism and study must be insured. Finally, continuing oversight of its administration by responsible representatives of the public must be maintained.

There are natural differences of opinion among individuals and groups concerning matters of policy. I do not believe, however, that we disagree upon the need for proceeding to the consideration of the policies with expedition. I recommend that we provide machinery to continue and simplify the arrangement already begun whereby the responsible executive and legislative leaders may present at the beginning of the legislative session specific and detailed proposals for legislation on any major question of State policy.

I am not referring in this consideration to those details of legislation designed to perfect existing laws.

I have in mind proposals involving major changes in basic social and economic policy. Such legislation, of far-reaching consequences, obviously should not be proposed except as the result of careful research, full consultation with all interests it would affect, and meticulous draftsmanship. Such legislation should not be proposed unless and until some group is prepared to underwrite its soundness and urge its passage.

This plan should enable the legislature to proceed to an immediate consideration of definite measures. Preliminary committee work on these measures would have been instituted prior to the commencement of the session. From the first day of the session the legislature as a whole could consider the basic policies involved in each proposal and could accept, reject, or alter them in the light of a comprehensive program.

This procedure emphasizes the importance of the advance work to be done by committees prior to the convening of the legislature. During recent weeks I have been in consultation with many members of this legislature as well as committees representative of important social and economic interests of the State of Wisconsin. This is a practice which I believe should underlie the relationship between the executive, the legislature, and the citizens of the State.

One theory of American government has been so interpreted at times as to isolate the executive from the legislative branch. But a shrewd observer of government, Walter Bagehot, once wrote that "Administration includes legislation, for it is concerned with the farseeing regulation of future conduct as well as with the limited management of the present." It is equally true that legislation includes administration, through the concrete application of general legislative enactments. If we examine the adoption of important and fundamental policies in the history of American government we find that joint effort of legislative, executive, and representative leadership outside the Government secures permament results. A narrow interpretation of the separation of powers has too often invited weak and irresponsible government. A legislative opposition, anxious to avoid responsibility for creative effort, has often been matched with a petulant and arbitrary executive. Under these conditions the public business is neglected and public apathy follows.

In order to avoid these evils a powerful movement has developed in the past 15 years. It has taken the form of a great increase in the discretionary powers of executive officers. This is due in part to the changed nature of governmental functions. Highly technical questions of health and labor standards require specific definition by experienced administrators. General policies for the regulation of utilities, determined by legislatures, must be applied to concrete cases.

But I doubt the wisdom of attempting to solve the fundamental question of responsibility for determining policy by an uncritical acceptance of this tendency. We can apply to this problem a principle fundamental to our traditions in this State—the principle of joint cooperation. I urge a continuing relationship of this leadership, official and unofficial, in the study of our problems, the preparation of programs, and the supervision over the administration of the resulting legislation. The expansion of administrative discretion, as recently discussed by the chief justice of our supreme court, has raised serious problems of judicial protection of the rights of the citizen. It has raised equally serious problems of legislative-executive relationship.

I have two recommendations to make as an alternative to the blind acceptance of this tendency:

First, legislation providing for the calling together of legislative committees for periods of time when the legislature is not in session, for the consideration of specific problems. When so engaged upon the business of the State, the members should be paid their actual expenses. It would thus be possible, during the extended period when the legislature is not in session, for a more carefully planned program to be prepared. Thus the administration of policy could be observed closely by those through whom it had been originally enacted.

Second, legislation providing for the appointment of an executive council of not more than 20 members, to serve without compensation other than actual expenses. One half of this council should be members of the legislature named by and responsible to it. The remaining members should be appointed by and responsible to the executive. It should be given ample powers of inquiry.

These proposals would, in my judgment, give a better opportunity for the continuous review of the activities of government in this State. They offer us a safeguard against hasty, arbitrary, and ill-informed developments of policy. They are an alternative to the drift toward extending arbitrary powers to the governor and the executive branch of government without some compensating controls. I agree that a governor must be held responsible for his actions as chief executive. I do not agree, however, that he should attempt to dictate, in isolation, the general policy of the political group in power. No one man has sufficient wisdom to diagnose the needs of the State. In the exercise of the extensive semijudicial and semilegislative powers necessarily given to administrative authorities, a continuing study of their trends and effects by both official and unofficial leadership is now essential.

But there is a second reason behind these recommendations. It relates to the opportunity for including, on the executive council, of spokesmen for agriculture, manufacture, commerce, finance, labor, and similar basic interests in the State. A generation ago America entered upon a period of scientific research which has yielded undreamed-of productivity of goods and services. The movement has been extended into national and regional organizations of industries which have cooperated in research and established standard practices and methods.

The economic situation to-day requires a further step. We must mobilize for the solution of the critical problem of distribution, the ability and experience which have perfected our machinery of production. In the midst of plenty, great sections of our population are suffering. The individual progress of one industry may have no relationship to another; the use of natural resources, the need for integrating transportation facilities, the development of public-works programs all need planning in common.

It is possible for us to inaugurate for Wisconsin the first steps toward a planned development, to be achieved by the free cooperation of individuals and groups with the government of the State. No one section or member of the community is all-sufficient for this task. Our institutions of government should be designed to facilitate this taking of common counsel. In the conferences which have already been held with many groups in recent weeks, there has been generous response from representatives of many interests. We may yet turn our present economic difficulties to some permanent achievement if we establish a continuing practice of this kind.

The structure of government, however effectively organized, must rest upon a broad basis of popular consent. It is possible for a political group in local or State office over a long period to acquire vested interests in the government which the ordinary methods of election can not overcome. It should be equally possible in such emergencies for the citizens to apply some extraordinary methods for dealing with this situation. This would prevent that sense of frustration or indifference which leads to a regular practice of law violation or direct action. I recommend as a prevention of this amendment of the constitution of the State to provide for the use, subject to desirable restrictions, of a means whereby legislation desired by large sections of the voters can be directly initiated for action by the legislature or by direct popular ratification; and a means whereby legislation enacted against the opposition of substantial groups of voters may be subjected, before finally taking effect, to submission to the voters of the State.

We can not be certain, in the decades to come, of the developments in governmental structure necessary for meeting new problems. Without some ultimate armory from which constitutional weapons may be taken, we may be seriously handicapped. It is unnecessary to point out how much our difficulties in the enforcement of the eighteenth amendment are due to the constitutional tangles in which the question of the measurement of public opinion is involved.

Wisconsin has had an election system in which any responsible citizen may seek public office. But in a rapidly changing society our laws must be dynamic, not static, or else they invite evasion by out-of-date provisions. Proposals for modernizing our corrupt practices act in the fixing of the amounts and objects of expenditures for political purposes are ready for your consideration. These changes are designed to require candidates to accept responsibility for the action of those who participate in campaigns on their behalf. Another measure which is ready for your consideration is a proposed amendment to the election laws which would declare finally elected to an office any candidate receiving a majority of all the votes cast in a primary. This amendment would provide further that where no candidate in a primary receives a majority of all votes cast in the primary the two candidates receiving the largest number of votes, irrespective of party, will be voted upon at the general election. This proposal would make the final election a more genuine and realistic reflection of the political interest of the citizens.

It is inevitable that the new problems of government which confront us should cause a reexamination of governmental structure. When the far-reaching power of fixing tariff rates is given to the National Executive, and new powers of control are vested in governors, it is time to reconsider basic questions of organization. I have set forth here the view that we must find some way for associating the resources in leadership of the whole State in the task of preparing policies and reviewing the operations of government. In addition to this, every avenue must be open to all citizens to participate in the processes of government, subject only to restrictions aimed at securing the responsibility necessary in public office and public action.

In harmony with these views of organization and procedure, I am reserving many important questions for later communications. According to the budget law the recommendations of the executive concerning the administration and financing of the activities of the government of Wisconsin will be set forth in the budget message not later than the 1st of February.

In my judgment the citizens of Wisconsin would prefer to have the executive make concrete proposals, carefully prepared, than deliver here a catalogue of vague if kindly references to many issues. Some of the issues discussed in recent years are now ready for formulation into specific measures. Among these are many aspects of taxation and of public utilities. I am discussing these in the present message, and proposals regarding them are ready for your consideration. The existing economic emergency required giving most time and energy up to the present in the preparation of measures for immediate relief. This task has precedence over all others. Measures dealing with other vital issues will be discussed in later communications, when the detailed preparation of these measures has been completed.

A recent monthly bulletin of the National City Bank of New York states:

"Business has now been declining more than 15 months, and as closely as can be measured has reached a level some 35 per cent below the peak. This equals the severity of any previous decline of the past 50 years."

In Riverside Church, New York City, the Rev. Harry Emerson Fosdick translated these statistics into human terms which we may well consider. He said:

"For sheer agony and desperation of soul, lonely, bitter, and hopeless, this winter is likely to be a heavier season in this land than any winter of the Great War.

"Moreover, while the tragedies of war are dreadful, they are public and picturesque. The whole Nation rises on a high tide of self-sacrifice to face them together, and the names of those who fall are inscribed on honor rolls in the public squares of every village of the land.

"But the tragedies of unemployment are drab as well as dreadful. Men do not go into this battle together, with the thrill of cooperation in a dangerous enterprise. Here they go alone, one at a time, unnoticed and forgotten. Unemployment has no uniforms and no flags, no military crosses and congressional medals, no gold star mothers, no unknown soldiers buried at Arlington amid the plaudits of a Nation."

Wisconsin and this particular legislature must consider permanent remedies for this situation, methods of increasing the purchasing power of the producers on the farm and in the factory, to enable them to buy back the things which they produce.

A sound financial policy requires the establishment of reserves in time of prosperity for meeting capital charges in times of depression. Sound labor policy requires reserves to maintain the living standards and buying power of the worker. These should be utilized in periods of depression to be applied in productive employment that add to our permanent wealth. But first, however, we must deal with the immediate emergency on the basis of this principle. President William Green of the American Federation of Labor very aptly declares:

"Relief, however necessary, is not a constructive remedy. The constructive thing is to furnish employment. Here we must look to the Government to take the initiative. The Government is freer to act to advance a great human purpose than is private business. Labor looks to Federal and State Governments to act quickly in facilitating work or public construction undertakings and in the ordering of Government supplies. Such advancing of

orders would put money into circulation and would give employment to many and indirectly stimulate production in many private industries."

The burden of meeting this situation falls the more heavily on us, because the difficulties have been multiplied by the tragic lack of leadership of the national administration during this entire period. Our national spokesmen claimed to have established a new industrial and social standard. Future generations will be astonished at their deliberate opposition to the most elementary plans for establishing public employment exchanges, adequate records of unemployment, and long-time planning of public works, even after the present crisis had been entered and recognized.

An extensive survey of the possibilities of employment for our citizens on work which will add to the permanent equipment and productivity of our resources has been made. I am convinced that the most immediate practicable method is an emergency highway measure to provide for a grade-crossing abolition program. This would, in effect, concentrate three years of grade-crossing elimination work into the present year and make possible adequate funds for snow removal.

This plan would also open the way to the very earliest possible beginning of the state-wide highway program this spring. A measure making this possible and furnishing work directly to at least 10,000 men, and indirectly to many others, has been prepared carefully at conferences with representatives of the railroad companies involved, the highway commission and many members of both houses of the legislature.

The railroads report, under the rules of the Interstate Commerce Commission, their grade-crossing accidents. The total number of these accidents in Wisconsin in 1928–29 was 478, of which 74 resulted in death; of these deaths, 55 occurred at unprotected crossings, 12 at bell crossings, 2 at flag crossings, and 5 at gate crossings. In 1929–30 there was an increase to 504 accidents, with 75 deaths, of which 50 were at unprotected crossings, 21 at bell crossings, 3 at flag crossings, and 1 at gate crossings. We all appreciate that carelessness and thoughtlessness have their part in these tragedies. But it is also true that here, as in industrial accidents, we are confronted with a tragic by-product of the introduction of technological changes for which we have not yet made provision. This work must be done some time, in any event, to save life. It is only common sense to do it now.

The plans and specifications for this work and a method of financing the program have been prepared. The railroads have voluntarily agreed to bear the same proportion of the cost as at present, and are offered a 3-year period in which to reimburse the State for this telescoping of the work. Your action can put men to work in a few days.

The responsibility for the administration of this program is given in the emergency highway bill to a special unemployment commission. This commission is recommended in order that the work may be expedited. It likewise provides an agency for correlating such other action as may be found necessary to provide constructive emergency relief measures for the unemployed.

In order that there may be no misunderstanding in other States, I emphasize the fact that these measures are to be applied exclusively for persons who have been residents of the State of Wisconsin for at least five years. This bill will provide no work for persons who have not been continuous residents of Wisconsin since 1925.

The present measure is obviously designed for an emergency. The United States is no longer a frontier country. But, unlike Europe, we are an unfinished country. It is ironical that with our capital equipment, our men and women, and our abundant raw materials there should be extensive unemployment. Any emergency work program should therefore apply the wealth which our State possesses to tasks of permanent usefulness; work that must some time be done in making our natural resources available and in perfecting our equipment.

The construction of grade crossings is an adjustment of the right of way of two types of our transportation equipment. It is one of these tasks of permanent utility. We must cooperate through the agencies I have already recommended in devising a comprehensive program embodying a long-time plan for this kind of public housekeeping.

On the old frontier any misfortune or new task which challenged the individual only called forth a greater cooperation of the whole neighborhood. Our present difficulties may restore this tradition of cooperation and friendliness. These may lead us to a balanced well-being for the whole State.

I urge that this measure be passed as speedily as the machinery of the two houses will permit.

Under the provisions of the budget law, I shall take up the question of financial policy, including appropriations, in the special budget message.

There are, however, certain matters relating to taxation and finance which should be acted upon immediately, prior to February 1, in order to avoid loss of revenue to the State and to reconcile the financial structure of the State more completely with the budget law of 1929. Such measures will offer, if acted on now, a program of immediate relief for sections of our State seriously affected. The highway program, with its stimulation of employment for workers, can be financed through an increase in the gasoline tax. This income will also provide funds for tax relief through meeting current interest and retirement payments on highway bonds. This highway bill proposes also to reverse the policy which at times placed a premium on increasing local highway expenditure when grants from the State were made available. It is not enough to stimulate the employment of town and city workers. We have another challenge in the depressed purchasing power of the farmer. A revival of his town markets will help; and here we must press upon the leaders of our many interests the need for reconsidering the whole question of the proportion of goods and services which agriculture should obtain as a fundamental right. But we can also act immediately to relieve both the farmer and other owners of real estate. The financial provisions of the highway program will help.

In addition to this, we must construct our budget upon sound principles of finance. It is not wise to maintain extravagant surpluses in our treasury. Our trust funds are separate from the general fund and are amply protected; we have no bonded debt; any excessive surplus, loaned out at low interest rates, is only money needlessly taken out of the pockets of individuals and business organizations much better able to use this money to their advantage. All that the State requires in the way of income, including a prudent surplus, should be met by the tax provisions of the statutes. This policy would provide a sound financial structure and procedure for Wisconsin.

In raising the funds necessary for the continuing and special services of our Government we must face honestly the fact that we are also redistributing the income of individual citizens. In this country a large portion of our taxes is secured through a tariff favorable to certain groups at the expense of purchasers of commodities. Other huge sums are raised from owners of real estate. But in our present economic system the most characteristic form of ownership of wealth is represented in the stocks and bonds of corporate organizations. More and more we have come to place some of the costs of public services upon income and inheritance. Many of the political communities which have endeavored to avoid this policy with the object of making themselves havens of refuge for the very rich now find themselves financially embarrassed.

Despite the development of our own financial policy we still raise from 65 to 70 per cent of all the revenue of State and local government from taxes upon tangible property. Seventy per cent of this property is held by farmers and home owners. The property tax falls as heavily upon the man who is burdened with debt as upon the man whose property is free from encumbrance. From one-fifth to one-third of the income of the average farmer is consumed by taxation, although he receives fewer public services for this than most classes in the community. In northern Wisconsin, where this burden is heaviest, 14 counties reported a tax delinquency of over 20 per cent this year, while tax rates in that area of 4, 5, and even 6 per cent are not unknown. A policy which would shift some portion of this crushing burden to those with large incomes, in a measure the product of general economic development and social progress, is more than justified if our economic system is to be broadly based. In the present emergency this relief should be extended immediately.

In keeping with these basic principles I recommend that all dividends, from whatever source derived, be taxed. The tax commission has advised the legislature several times that this should be done. In 1925 the elimination of the other great exemption loophole in our income tax law was accomplished by repealing the personal-property offset. This involved increasing income taxes and decreasing property taxes by $5,000,000 annually. In the fierce struggle that ensued we were unable to deal at that time with the exemption of dividends for the fear of endangering the then more important question of the repeal of the personal-property offset. The present legislature should eliminate this last great exemption under our income tax law. This should be done promptly if its effects are to be felt in reducing property taxes at this time.

An income tax should be a tax levied upon the individual's entire income, from whatever source derived. Plausible and ingenious pleas can be made for almost any kind of exemption from income taxation. If granted, these various exemptions would leave us in the present plight of the Federal Government. The Federal income tax to-day possesses an unbelievably complicated assortment of loopholes and refunds. The result is a higher rate of income tax for many individuals and corporations than is proportionately justified. By eliminating these features in our own income tax law we can prevent sudden and drastic increases which are injurious to business. If the legislature eliminates dividend exemption it will be in a position to deal more comprehensively with any proposed changes in the tax system of the State.

The 1925 legislature gave authority to the tax commission to go back 10 years in seeking out underpayments of income taxes. The 1927 legislature reduced this period from 10 years to 3 years. At the present time the records of the tax commission show that the tax returns of 2,000 corporations are in urgent need of investigation. During the years from 1920 to 1930, inclusive, the commission has expended $951,000 in auditing back income-tax returns. As a result, $16,933,000 of additional taxes have been paid into the State treasury. Since the auditing of back taxes has yielded such very high returns in the past, and since there is danger that a number of taxpayers have escaped paying their share of the tax burden, I recommend that this period be extended to six years. This should be done immediately to enable the tax commission to accomplish its work within a 3-year period. Thereafter the income-tax payers need not be inconvenienced by inquiries going back over a long period of time.

The present provision for taxing domestic life-insurance companies upon 3¼ per cent of their gross income should be changed to 3½ per cent in order to affect the next property levy favorably.

However, it will be necessary for the legislature to act promptly in this matter, since domestic life-insurance companies are licensed by the State on March 1.

The interim committee on fire insurance has recommended that the reciprocal clause as it affects fire-insurance companies should be repealed. According to the insurance department, this repeal will increase the revenues to the State by $250,000 annually. Here, again, fire-insurance company licenses are issued March 1, and the legislature should act promptly to effect this repeal, so that the property taxpayer may be benefited as soon as possible.

I recommend the repeal of the reciprocal inheritance tax law, which deprives the State treasury each year of a considerable sum of inheritance taxes. Enactment of this measure was a backward step, and it should be retraced. In view of the present financial condition of the farmer, worker, and small business man, this is no time for reduction of the share to be paid by great estates.

The emergency highway and taxation measures heretofore discussed would, if adopted, provide funds for emergency employment on productive enterprises, as well as emergency relief for the tax burden of the farmer and home owner.

I have stated that chain and monopolistic development in banking and distribution, unemployment, taxation, and new forms of power development and distribution deprive the people of Wisconsin of the economic opportunity and freedom to which they are entitled. Unless we adopt effective and constructive remedies we will fail in our responsibility to the people of this State. Measures dealing with each of these vital questions will be presented for your consideration, and they will be fully discussed in later communications from the executive.

Specific measures are now prepared for your immediate consideration relating to power. I shall therefore discuss this important problem in this message.

On April 12, 1905, the then Governor of Wisconsin, in a special message to the legislature, made the following statement:

"Probably not more than half a dozen States in the Union are so abundantly supplied with natural water power as Wisconsin, and no State in the Middle West is comparable to it in this respect. * * * Our navigable streams and rivers, like our streets and highways, are open to the free use of the people of the State. * * * The vast amount of power which these waters produce is a resource of a public nature, in the advantage and benefit of which the public should participate.

"Modern industrial development is making rapid progress. Already these water powers are extensively employed to generate electricity. The transmission of this power over considerable distances is successfully accomplished with little loss. It will, in the near future, be more widely distributed at a constantly diminishing cost. In manufacturing, in electric lighting in cities and towns and in the country, in operating street and interurban cars for the transportation of passengers and freight, and in furnishing motive power for the factory and farm, electricity will eventually become of great importance in the industrial life of the Commonwealth.

"It is, therefore, quite apparent that these water powers are no longer to be regarded simply as of local importance. They are of industrial and commercial interest to every community in the State. Whether it be located in the immediate neighborhood of a water power will, in time, make little or no difference. While this is becoming more manifest year by year, it is probably true that we do not, as yet, approximately estimate the ultimate value of these water powers to the people of Wisconsin."

The experience of the past 25 years has only underscored these words. Not only has the development of the power industry become increasingly the basis of all our industrial system, but through low distribution costs it makes possible the deconcentration of industry from vast overcrowded centers, permitting a more satisfactory physical basis for the home. These benefits can only be secured through farsighted social planning and the development of a policy for this essential commodity based upon use and stable investment, not upon promotional and speculative financing. We have neither coal nor oil. We can make up for the lack of their presence here by a program which will tie together all available sources of power without paying tribute to the speculative promoter.

The neglect to provide an abundant supply of electricity at low rates presents one of the greatest dangers threatening the manufacturing development of our State, as well as an adequate standard of living on the farm. It is urgent that we create in this State a comprehensive state-wide power program, the chief objective of which should be to restore to the people of Wisconsin effective control of this essential source of economic prosperity and social well-being.

Hitherto, interconnection and consolidation of utilities has been going forward without relation to the public interest in the integrated supply of these services. The regulated and planned development of power resources is everywhere accepted as necessary. But four new factors, exposed in detail in investigations made by the Federal Trade Commission and in the States of Massachusetts, New York, New Hampshire, and Pennsylvania, and set forth in part in the recent report of our own Interim Legislative Committee on Water and Electric Power, create the necessity for new forms of control.

First, the present financing of utilities results increasingly in the concentration of control in a few great holding companies. Two results have followed: The speculative aspects of financing have been overemphasized; and important functions of management, at one time locally exercised, tend to escape State scrutiny and control by their transfer to a few metropolitan centers. Second, technological progress renders a local plant an unsatisfactory unit for economical operation and distribution, unless tied with other units into regional systems. In the third place, a local public plant may be unable to make necessary improvements and extensions because of debt limitations placed on local governments. Finally, judicial decisions leave the whole question of values and the machinery of rate-making in costly uncertainty. Thus every investigation in recent years establishes the need for a thorough reconstruction of the technique and procedures of regulation. It is my purpose to discuss the problem of regulation in detail in a later message.

The other objective of our national legislation on public utilities in Wisconsin was the establishment of potential public competition. A careful examination of the experience of other communities demonstrates the wisdom of two forms of public competition: Direct municipal ownership of smaller units, and publicly owned corporations capable of supplying wider market areas, and of integrating the local and district public systems with the private utilities.

At present, however, by a combination of constitutional and statutory prohibitions, both of these projects are effectively shackled. Under existing law, we are practically limited to private ownership of power production and distribution. This has hitherto meant high prices to the consumer with high profits to financial manipulators. High prices have held back the development and use of electricity not only in Wisconsin but throughout the United States. A news bulletin issued by the National Electric Light Association indicates that the average consumption of power in the United States in 1929 approximated 350 kilowatt-hours per year per consumer. In Ontario, Canada, the publicly owned power system indicates a consumption of over 2,000 kilowatt-hours per consumer in the year 1927.

For no one is this question more important than the housewife everywhere, and especially the women on the farms. To them the use of electricity is of vital importance, undertaking as they do the heaviest work with the least adequate household appliances and with many inconveniences. The easy substitutes for house work which the city can supply in laundries, bakeries, gas for cooking and heating water and other ways, are not easily available for the rural districts. However fundamental the great inventions which have vastly increased the productive power of industry, none will be more socially valuable than the appliances that can lighten the drudgery of those who have the manifold tasks of the farm.

Nothing would be more effective in halting the flow of population from the country to the city than the lifting of the whole standard of life for the farm. Nothing offers greater opportunities here than electric power. I suggest also to business men and manufacturers that the advantages to be secured in this potential market and in the possibility of cheap power for manufacturing outweigh any possible profits from speculating in holding-company securities. Wisconsin should be able to meet the challenge of such business communities as that in Los Angeles, which uses the low rates set by the public power bureau to attract manufacturers.

A comprehensive power program for Wisconsin requires adequate constitutional authority. I recommend that this legislature pass the constitutional amendment adopted by the 1929 session of the legislature. This amendment provides that municipally owned utilities may be financed by mortgage bonds instead of through the general municipal borrowing powers included under the 5 per cent debt limitation.

More important than this is the adoption of a constitutional amendment authorizing the State of Wisconsin to provide, if it so desires, a state-wide publicly owned power system. When the roll is called on this amendment, every legislator must choose between Wisconsin and the Power Trust. It will be an acid test dividing the reactionary from the progressive.

Pending adoption of these constitutional amendments we need not mark time. Every means permissible under the existing constitutional provisions should be utilized for developing a comprehensive power program. Legislation designed to give municipally owned plants larger opportunities for economic development through the organization of power districts is prepared and ready for your consideration.

Legislation designed to adapt the organization and procedure of our regulatory functions to the changed conditions in the power industry as well as new developments in all kinds of public utilities is now in preparation. The public power corporation measure, also in preparation, rests upon the need for a permanent planning agency which can provide for the adequate supply of these services throughout the State. It must be sufficiently flexible to assist local units with technical advisers in administration and finance as well as engineering. It must provide integration of production and distribution through local and district power systems and privately owned systems. It must forecast needs, and assist positively the manufacturer, farmer, and other users in securing power facilities. With the cooperation of the legislature through its proper committees, these measures should be ready for submission at an early date.

In urging you to adopt these two constitutional amendments and to perfect legislation looking toward a comprehensive power program, I realize that you are being asked to go into battle against a rich and powerful and well-organized lobby which operates, not only in Wisconsin, but throughout the Nation. The nature of its influence has recently been revealed by official investigations in many parts of the United States. Let me recall to you some of these revelations, not for sensational purposes, but

to remind our citizens how subtly our thinking on this question has been affected and colored.

The political and propaganda activities of the privately owned utilities center in the National Electric Light Association, 12 regional public-utility committees, and 38 so-called information bureaus. In addition to these, there has been maintained the joint committee of the National Utility Associations, a lobbying organization set up jointly by the National Electric Light Association, the American Gas Association, and the American Electric Railway Association.

The total sums of money expended for all these political and propaganda activities is not known. Some idea can be formed from the fact that the Federal Trade Commission's investigation showed that in 1925 and 1926 their expenditures for newspaper advertising alone amounted to $28,000,000 annually. Expenditures for political and propaganda activities are paid for by the consumers of electric current. The cases where such expenditures have been excluded in computing the rates allowed to the utilities by public-service commissions are rare indeed.

These propaganda agencies have published and distributed printed matter, much of which is disguised to have the appearance of impartial research studies. Two of many examples of this are Dr. S. S. Weyer's Niagara Falls, its Power Possibilities and Preservation, and Prof. E. A. Stewart's Electricity in Rural Districts Served by the Hydroelectric Power Commission of the Province of Ontario, Canada. Doctor Weyer's study was issued in 1925 by the Smithsonian Institution as a publication of the United States Government; yet it was established in the Federal Trade Commission investigation that Doctor Weyer, although a Federal employee, had been paid $3,000 by the National Electric Light Association to undertake this work. E. A. Stewart was a professor of agricultural engineering in the University of Minnesota. His pamphlet condemning the Ontario system was issued under the author's professional title. Yet for compiling this pamphlet, Professor Stewart was paid $500 a month and his expenses by the Minnesota committee on the Application of Electricity to Agriculture, which is financed by the Minnesota public utilities.

The propaganda agencies of the utilities have had their paid and unpaid spokesmen at thousands of meetings of business, religious, and civic organizations. They have indulged in expensive advertising of no immediate or intrinsic value to their business in order to influence subtly the general attitude of the public and the opinions of editors. They have paid the representatives of press agencies supplying weekly newspapers with articles. They have sent their agents, with no indication of their affiliations, into organized groups of business men, farmers, and women. Members of university faculties have been retained to conduct research and to prepare publications; school and college texts have been subjected to careful scrutiny and partisan criticism. They have been able to censor some of these publications.

The standards of public life established in this State 30 years ago by the founders of the progressive movement have thus far prevented any comparable duplication here of the activities of the utilities lately revealed in the primaries and elections in Nebraska, Pennsylvania, Illinois, and many other States.

But I know of nothing better designed to arouse suspicion concerning our press, distrust of our business leaders, and contempt for representative government than these activities so fully documented in public hearings and investigations. These agencies are the supreme agitators for creating social violence and the destruction of American ideals of self-government.

I grant freely that any interest has every right to present its case before the public. I agree that it has every right to place that case before legislators, public officers, editors, and others who have a position of public trust and responsibility. But I submit that when this is done, by means of money which we must pay for essential public services, we have at least a right to demand straight and open dealing. I am impressed by the fact that no small portion of those engaged in these great utilities have themselves questioned the wisdom and decency of their policy. There are those whose pride in technical achievements and administrative integrity has been profoundly disturbed at the increasing concentration of control in the hands of those who seek great speculative financial returns. I urge them to consider the wisdom of developing some self-government in their industry to put down these practices. And I urge the Legislature of Wisconsin to give to the government of the State itself powers at least approaching those of the utility companies for insuring a more wisely planned use and development of this great commodity.

By your early cooperation in the passage of constitutional amendments we can expedite the attainment of the necessary powers. But, in addition to this, there are being prepared in consultation with legislative leaders and advisors comprehensive proposals for dealing with the whole problem of the adequate regulation of all public-service companies. We are seeking to develop a positive program for eliminating the uncertainty and wastefulness so harmful at once to the public interest as well as to the efficient utility manager. If this program is to be genuinely effective, it must be based upon a thorough comprehension of the problems involved in the valuation, administration, and financing of these enterprises.

No static solution in this field is thinkable. The manufacture and distribution of gas, for example, is entering upon a new era in which the possibilities are yet unknown. The relationship of both bus transportation and of electric railways to steam railroads and of all of these to water transportation challenges economic statesmanship. It is only wisdom to provide ourselves with every facility for obtaining basic information, for planning, and for the consultation of all the interested groups as a foundation for the adoption of new State policies.

In our search for a means of meeting the problems confronting every individual, we have slowly developed many associations alongside the machinery of government. We now utilize individual initiative through these organizations, particularly in agriculture and labor. We have many times turned to the spokesmen of these groups for assistance in attacking questions of policy.

This practice rests squarely upon the accepted right of all people to combine in the effort to accomplish through collective and cooperative action what the single individual is inadequate to do alone. We benefit from this in the maintenance of a better standard of life for individuals, and through recruiting additional leadership and experience for the tasks of government. The wealth of society is precarious unless based upon a widely distributed power of consumption, and unless a great body of citizens share in the governing process, both political and economic. The State should positively encourage this self-government by preventing attacks upon these organizations by any who seek profit from undermining standards of living. Even in the days of pioneer America, Lincoln, a product of the new West, stated that "labor is prior to and independent of capital * * * in fact, capital is the fruit of labor, and could never have existed if labor had not first existed." The truth is brought home to us to-day in the need for maintaining a widespread consuming power if our economic system is to prosper in all its parts.

In developing this policy in Wisconsin the agricultural and labor organizations, such as the state-wide farmers' organizations, the Wisconsin State Federation of Labor, and the transportation brotherhoods, have contributed the loyalty and experience of a great section of our society. Their representatives have been conferred with and resulting proposals for improving legislation of importance to the farmer and the industrial worker are ready for your consideration.

Fifteen years ago the inclusion in the Federal Clayton Act of provisions aimed at preventing the abuse of the injunction in labor disputes was hailed as a Magna Charta for labor. In 1917 this measure was adopted by Wisconsin. Subsequent judicial interpretations of these provisions have emasculated them. I urge the revision of this legislation in the light of the investigation of the use of injunctions recently undertaken by the Judiciary Committee of the United States Senate as well as the experience of Wisconsin. While there may be disagreement over particular aspects of economic legislation adopted by a government, we ought to have no uncertainty in according every legal and practical encouragement to the development of organizations of industrial workers and farmers of Wisconsin.

To-day the average citizen feels lost and friendless in a complicated world. New controlling forces have developed so rapidly that our institutions of government are often out of date and ineffective. In proposing that we call into our counsels the leaders not only of the executive and legislative branches but of our great basic interests, we seek only to restore the neighborhood cooperation of the simpler days of the frontier. If we can feel this spirit of self-government again in the new America, we shall need the cooperation of men and woment of all interests and groups. It is by no means clear that the American experiment of self-government will succeed. We must be prepared for genuinely profound readjustments not merely of institutions but of mental habits if it does.

We stand to-day at a crossroad. One way leads to decay; the other to regeneration.

Upon what we do in this legislative session and upon the political procedures we follow in determining what we are to do may well depend the beginning of the answer to the question, Which way is Wisconsin to go? In this task there is every challenge to courage, intelligence, and the adventurous spirit that marked the frontier of a century ago.

PHILIP F. LA FOLLETTE,
Governor.

MADISON, WIS., *January 15, 1931.*

CASHING OF VETERANS' ADJUSTED-COMPENSATION CERTIFICATES

Mr. SMITH. Mr. President, in all this discussion about unemployment, the necessity for relief, and the millions we have appropriated and are in process of appropriating in practically every department of the Government, it seems as if we have lost sight of an obligation that is quite as appealing to me as any that has come before this body. That is what we shall do with the certificates we have issued to the men who helped save this Republic in the World War.

The obligation we owe these boys we have expressed in the form of certificates. The adjusted-compensation certificate is, in effect, a bond of the United States, guaranteeing payment at a certain time. The difference is, however, that a bond of the United States bears 4 per cent interest, or some stated rate of interest, and the holder of the bond gets the interest, while if the boy who helped save the country expects to get any money, he has to pay 6 per cent interest to get any cash on his bond. I want Senators to see the difference. If one hypothecates his certificate to get any cash on it, he pays the legal rate of interest, or at least 6 per cent, while

the man who holds a bond gets from the Government the rate of interest specified in the bond.

If there ever was a time in the history of this country when the men who bore the unspeakable hardships of war at $1 a day to make life possible for us needed aid, it is now. Scattered all over the country are millions of them in just as desperate straits as are other people; some of them perhaps in more desperate straits.

Mr. President, I want to read some extracts from a letter from one who was in the World War, and in the most dangerous service, the Air Service. The letter is so intimate that I shall not give the name of the writer, but read some extracts from it. He says:

I am writing you in regard to the proposed cashing of the bonus certificates. The way I look at it is this. The United States Government, whether rightly or wrongly, and I believe rightly, has recognized its obligation to the ex-service men by voting them so-called adjusted compensation certificates, payable at a certain time in the future, but in the event of the death of the veteran, payable to the beneficiary at his death. All the Government has done is to say to the veteran, "We owe you so much money but we do not intend to pay you until so many years have elapsed, nor will we pay you interest during that time on the debt, even though the debt was contracted by the Government while you were in military service. But if at any time between the issuance of the certificates and the time we intend to pay, you become in need of money, you may borrow amounts varying according to the time the certificate has been issued, but you will have to pay the interest." In other words the Government makes its creditor pay interest on its debtor's debt to him.

* * * * * * *

For the bonus certificates to be paid now would be to turn loose millions of dollars, which money would be distributed throughout the Nation in proportion to the population. It would therefore add materially to the relief of drought-stricken areas, would certainly add relief to the industrial areas, and would help others throughout the country where the industrial oppression is existing. The Government could raise the money by bonds and I believe could readily dispose of them at 4 per cent.

I understand the Secretary of the Treasury is insistent that the Government debt should be reduced by a substantial sum each year. I thoroughly agree with him and I think the Government should therefore pay the debt that it has acknowledged to its ex-service men. Why should the ex-service men, the majority of whom served for a dollar a day and subsistence, be forced to wait years to collect their debt, and if they endeavor to cash in on some of it before its maturity be forced to pay 6 per cent interest when those who own the present United States bonds are collecting interest on their debt every year, when they were enabled to buy these bonds with money the major part of which was made during the inflated prosperity of war times. In all logic and equity it seems that the Government should pay these bonds now, or at least issue to the ex-service men in lieu of his bonus certificate a Government bond which is carrying interest, is negotiable, and which he can sell.

Mr. President, I am not going to take the time of the Senate now to do so, but at some future time I want to discuss more at length this question of adjusted compensation and the awkward and unsympathetic manner in which we have handled it. I am thoroughly in sympathy with the demand of the great mass of the ex-service men in this the darkest hour that America has ever seen economically and financially, when distress is evident in every department of organized society, in country, city, village, hamlet, and town. Everywhere this inexplicable gloom has settled down and every avenue of business is paralyzed. Suffering, the like of which we have never known, is stalking abroad in the land, and yet we are religiously collecting the 4 per cent on the bonds which were issued in order to get the money that we might prosecute the war while the boys who made the bonds worth while are either told to die before those who are dependent upon them can come into the benefits of their certificates or they must take potluck with those who did not go over during the war. I think, Mr. President, if there ever was a time when we should recognize the horrors through which these ex-service men went it is now. I was so struck with the paragraph which I have just read from this letter that I wanted to bring it to the attention of the Senate.

Mr. HEFLIN. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. SMITH. I yield.

Mr. HEFLIN. I had a letter from one of the ex-service men in my State the other day who said he noted that Mr. Andrew W. Mellon said that if we would pay this cash bonus it would cripple business, and he wondered if Mr. Mellon considered when the boys were on the firing line that the bullets would cripple them.

Mr. SMITH. I wonder where Mr. Mellon would find any place that he could cripple business any more than it is. Perhaps he is such an expert in business that he can find a place that is not already crippled.

Mr. HEFLIN. I agree with the Senator that it is unfair to charge the boys interest on these bonds the Government has issued to them, and it is in a way a Government bond. The Senator will recall that when the deflation period came on in 1920 bonds all over the country were forced on the market and the mighty wealthy bought them up at 80 to 85 cents on the dollar. Those bonds are now drawing the interest of which he speaks, 4 per cent, and these boys, crippled as many of them are and in distress as nearly all of them are, are having to pay interest to the Government, which is nothing short of an outrage.

Mr. SMITH. Mr. President, I think perhaps the Secretary of the Treasury is right in saying we ought to retire our public debt as rapidly as we may. I think it is the debt that, from every standpoint, we ought to retire. The bondholder does not want his bond canceled. When the life of those bonds shall have expired we shall be in the midst of another refunding proposition. They do not want those bonds retired. The 4 per cent interest is the highest rate of interest the Government has ever paid on its obligations, and we now have ten or fifteen or twenty times more indebtedness on the part of the United States than ever before. The holders of those bonds do not want them paid.

But the boys who hold the adjusted-compensation certificates get no interest on them. It is not anything in the way of an investment for them. What we ought to do is either to cash them and let the ex-service men do as they will with the cash or else convert them into bonds which are negotiable instruments and which bear interest. I think it is a subject of criticism on the part of our Government to make this gesture at those who really saved America and shed glory and honor on our flag. Instead of giving each one a bond we have given him an adjusted-compensation certificate on which, if he wants to realize on it, he has to pay interest during his lifetime, and he has to have his name engraved on a tombstone before those who are to benefit by his Government's largess can have the benefit that may come therefrom.

INTERIOR DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 14675) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1932, and for other purposes.

Mr. HOWELL. Mr. President, several days ago the special select committee appointed by the Senate to investigate the Alaska Railroad made a report, and included in that report certain recommendations. The first recommendation was that the railroad be not abandoned, but its operation be continued. The second was that its train mileage be reduced approximately 100,000 miles as compared with the fiscal year 1930; that passenger rates be increased from 6 to 10 cents per mile, together with a revision of freight rates so as to provide at least 50 per cent more revenue as an average on all freight handled than can be obtained under the schedule of freight rates now in effect; and "that the $1,000,000 appearing in the pending appropriation bill for the Interior Department be allocated as follows."

In the pending bill there appears an item of $1,000,000 for the Alaska Railroad. Approximately $800,000 thereof can be used under the terms of the bill to meet a deficit during the fiscal year 1932 on this railroad and $200,000 must be used for capital expenditures. The recommendation made by the select committee of an increase in freight rates and in passenger rates has been agreed to by the Secretary of the Interior and these increases will be put into effect.

It is now proposed under the terms of the pending bill that but $500,000 of the $1,000,000 shall be applicable to any

deficit during the coming fiscal year and that $250,000 of the $1,000,000 shall be applicable to capital expenditures instead of $200,000 as proposed in the bill; that the other $250,000 may be used for the investigation of mineral and other resources in Alaska to ascertain the potential resources available which will affect railroad tonnage.

There are two ways in which we can rescue this railroad. One is by increasing railroad tonnage and the other is by increasing rates. We have proposed, and the Secretary of the Interior has concurred in the proposal, an increase of rates. What we now seek to do is to utilize $250,000 of this amount, not increasing the total appropriation, for work that shall lead to the development of tonnage on the Alaska Railroad. Therefore I offer the amendments which I send to the desk.

The VICE PRESIDENT. The clerk will report the amendments offered by the Senator from Nebraska.

The LEGISLATIVE CLERK. On page 117, in line 1, after the word "binding," insert the following proviso:

Provided further, That not to exceed $250,000 of this fund shall be available for continuation of the investigation of mineral and other resources of Alaska to ascertain the potential resources available which will affect railroad tonnage.

On page 117, line 1, strike out "$200,000" and insert in lieu thereof "$250,000."

Mr. SMOOT. Mr. President, no doubt a point of order would lie against the amendments, but I am not going to interpose it. I am rather in full accord, at least 90 per cent in accord, with what the Senator has said about the Alaska Railroad. For the last six or seven years I have been calling attention to what would happen in Alaska. We have been promised for the last six or seven years that if the appropriation should be allowed to stand it would not be asked for the ensuing year. Yet they are asking exactly the same for this coming fiscal year as for the last six or seven years.

The Senator from Nebraska is perfectly right in saying that unless something is done there will be no change in the management and operation of the railroad in Alaska. If we can enact a law that will bring about what we thought was going to be brought about six or seven years ago I shall be only too glad to assist in accomplishing it. Perhaps this will bring it about and I shall ask, therefore, notwithstanding that a point of order could be made against the amendments and if there is no objection on the part of any other Senator, that the amendments be adopted.

Mr. KING. Mr. President, I agree with my colleague that promises have been made from year to year that this white elephant which the Federal Government has on its hands would be disposed of and cease to be a burden upon the Government. It has been suggested at various times that thus far the Government has been unable to get from under the burden, and it seems that the plan suggested by the Senator from Nebraska [Mr. HOWELL] will meet the project resources. I regret that the committee has brought into the Senate a provision for the continuation of the appropriation for the Alaska Railroad. I would much prefer to vote for a proposal directing the Interior Department and those in charge of the railroad to proceed to the liquidation of the same, to authorize its sale, and to report within not to exceed two years that the duty has been fully discharged. I would be willing to give two years within which to wind up the affairs of this—I was about to say defunct, but I will say this debilitated organization which is an unnecessary charge upon the Federal Government. I think it ought to be disposed of and the corporation wound up. I would be glad to vote for a proposition instructing those in authority, within two years, to liquidate the organization and make disposition of its property.

The VICE PRESIDENT. The question is on agreeing to the amendments proposed by the Senator from Nebraska [Mr. HOWELL].

Mr. ODDIE. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield the floor?

Mr. SMOOT. I do.

The VICE PRESIDENT. The Senator from Nevada is recognized.

Mr. ODDIE. Mr. President, I should like to ask the Senator from Nebraska if his amendments, if agreed to, will eliminate from the appropriation sums necessary to pay the running expenses of the Alaska Railroad this year?

Mr. HOWELL. Mr. President, the Interior Department asked for an appropriation of $1,000,000 for the Alaska Railroad. The sum of $1,000,000 is left in the bill. The Secretary of the Interior has agreed to a 50 per cent increase in freight rates on the road. Therefore, the million dollars will not all be necessary to meet a deficit. So we propose that $250,000 of the million dollars shall be used for capital expenses—that is, for permanent improvement of the road—and that $250,000 shall be used to endeavor to develop tonnage for the railroad, in order to see if it can be kept alive. Accordingly the railroad will have for the coming year the money that was proposed by the Interior Department before the report of the special committee was submitted.

Mr. ODDIE. Mr. President, I very strongly favor the suggestion last made by the Senator from Nebraska that additional moneys be expended in the development of resources, such as coal, for instance, and other resources that will increase the tonnage of the Alaska Railroad.

I personally know something about the situation in Alaska because I visited there last summer, and I know that if the railroad operation is curtailed at this time it will injure tourist travel to the McKinley National Park, which is a national treasure house of beauty and grandeur that should be fostered.

Furthermore, there is a large gold-placer operation beyond Fairbanks, which is producing something like $10,000,000 a year of gold. Our economic system demands the production of more gold at this time. If the railroad's operations shall be seriously curtailed, it will injure such production. There are prospectors all through that section of the country who are dependent on this road for their existence. The Government has expended a large amount of money on the road, and it is necessary that steps be taken to inaugurate new enterprises which will furnish more freight. I have not gone into the question of freight rates; that has been gone into by the committee; but I do wish to say that I feel that if the railroad should be shut down or its operations seriously curtailed at this time the Government would break faith with the people of Alaska.

Mr. SMOOT. Mr. President, as to the Government breaking faith with the people of Alaska, I think that those who represented the people of Alaska have broken faith with the Congress of the United States; and if the Alaska Railroad does not prove a success, as I hope it will, then I am going to try to secure the passage of legislation that will put a bus line and a truck line into Alaska which can carry all the passengers and all the freight that will ever go over the railroad in any one year.

Mr. KENDRICK. Mr. President, in answer to the statement made by the senior Senator from Utah [Mr. SMOOT], which is undoubtedly made under strong conviction, I should like to say that no Member of the Senate who has made a personal inspection of the situation in Alaska would favor junking the railroad; certainly he would not believe such action to be advisable at this time.

The Senator from Utah expressed himself as being favorable, in a certain contingency, to converting the Alaska Railroad into a highway. That was my first impression when I went to Alaska, but, Mr. President, on making inquiry of those who are authorities on the subject as to the cost of such changes I became convinced that if we proceeded now to convert the Alaska Railway into a highway the interest on the money which would be expended in doing so would be sufficient to take care of the present deficit on that railway.

I think anyone who will visit Alaska will see the situation in the same light as the members of the committee saw it. I may say, incidentally, that our committee proceeded every

waking hour of every day when we were in Alaska to hold hearings and to secure information. We were not banqueted, because, in the first place, we did not have the time and did not invite that sort of thing; but we worked diligently to ascertain the facts in regard to the Alaska Railway and its possibilities or the absence of such possibilities. Our conclusions were unanimously in favor of continuing the operation of the railroad and carrying out the suggestions in connection with it which have been made by the chairman of the special committee, the Senator from Nebraska [Mr. HOWELL].

From a purely business standpoint, any business man, should he own the Alaska Railroad, would proceed, as it would be necessary that he should proceed, to do not only one of two things but to do two things. He would increase the freight rates on the railroad, and then he would have made a detailed study of the possibilities of increasing the traffic. After such an investigation shall have been made, if it is proven that the railway can not be maintained without a heavy loss, then it will be the responsibility of Congress to determine whether the excess cost of continuing the road in operation would be justified by the benefit it affords the people of Alaska.

I say without hesitation, Mr. President, that the amendment offered by the Senator from Nebraska ought to be adopted, and any good business man who could view the situation as we viewed it would see it in the same light; he would favor continuing the operation of the road and allowing a longer period for a test to be made before he would even think of junking it.

Mr. President, in connection with the Alaska Railroad there is another feature which might very well be considered by Congress, and that is the people of Alaska. Perhaps it might be considered a little sentimental, but no citizen of continental United States visiting Alaska could possibly overlook one or two rather startling facts. The population of Alaska, though limited in numbers, is composed of those who have gone there from all the 48 States of the Union. There are probably fewer foreign-born residents in Alaska than in almost any other place under the dominion of the United States Government. One may travel from one end of that vast Territory to the other and hear no expression either in behalf of independence or anything hostile to this country. The people of Alaska who have passed middle life were born in the United States proper, under the American flag, and the people as a whole know no other flag.

Whether the Alaska Railway is a financial success or not it has done a great deal toward promoting the settlement and the development of that Territory. It is impossible for one to believe when he goes to Alaska and makes close inquiries as to economic conditions that the Territory is not in a fair way to advance industrially and economically within the near future. In that event, the railroad would be a powerful factor in promoting that development and its abandonment would be a great deterrent.

I recognize the facts as they are; I also recognize the obligation—and it is an obligation—that we owe to the people who live in Alaska, who are blood of our blood, bone of our bone, and who are waging a mighty contest in their efforts to subdue and make fruitful this vast empire, and I would proceed to deal with the problem very largely in a business way. As a business man, if the road were mine, or if I owned any great part of it, I would recommend on a purely economic basis the procedure which is proposed under the amendments offered by the Senator from Nebraska.

Within just a few miles of the railroad tracks are enormous beds of anthracite coal. That coal when mined could be sold in every commercially important town on the Pacific coast, and it is the opinion of the best authorities that it would command a market in the far-away Orient, because practically the only freight charges would be water freight. In discussing the question of a market for anthracite coal as we traveled south along the coast we were assured by the leading men of the cities of Alaska that they would buy all the anthracite coal that could be marketed and brought to them, because there is no other anthracite coal within reach of that Territory.

Mr. President, after the committee had visited Alaska it submitted its report and recommendations to the Senate, and the amendments proposed by the Senator from Nebraska are in accordance with those recommendations. I insist that no Member of the Senate who had visited Alaska and made a close study of the situation there purely along business lines would do other than adopt the recommendations made by the special committee.

The VICE PRESIDENT. Is there objection to a vote on the two amendments together? The Chair hears none. The question is on agreeing to the amendments.

The amendments were agreed to.

Mr. SMOOT. Mr. President, I desire to recur to the amendment which has been agreed to on page 108, line 8, after the word "road," inserting the following:

> And the President by proclamation may add any or all of such lands and/or Government lands to Yosemite National Park.

I desire to offer an amendment to that amendment by adding this proviso—and I want my colleague to listen to the proposed amendment to the amendment:

> *Provided*, That the public lands herein authorized to be withdrawn shall not exceed 5,664 acres, the same being within present national forests.

The VICE PRESIDENT. Without objection, the vote by which the amendment on page 108, line 8, was agreed to, will be reconsidered, and the amendment proposed by the Senator from Utah to that amendment will be agreed to. The question now is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. HOWELL. Mr. President, the special committee which visited Alaska in making its recommendations submitted as a part thereof paragraph 5, which reads:

> That this committee be continued or another committee be appointed to keep the Senate informed respecting the business of the railroad and the details of operation during the coming year.

I wish to say that the committee has been receiving reports respecting the operation of the Alaska Railroad since we left that Territory. The committee has certain definite notions as to what ought to be done, and I believe it will be to the advantage of placing the railroad, if possible, upon a permanent foundation for a committee of the Senate to follow up these matters. Therefore, I ask unanimous consent that the committee, which is composed of the Senator from Wyoming [Mr. KENDRICK], the Senator from Idaho [Mr. THOMAS], and myself, may be continued.

The VICE PRESIDENT. If the expenses of the committee are to be paid out of the contingent fund of the Senate, it will be necessary to introduce a separate resolution and have it referred to that committee.

Mr. HOWELL. I am not asking for any funds for the committee at this time; I am simply asking that the committee may be continued in existence.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. KING. Mr. President, just a word with respect to the amendment offered by the Senator from Nebraska and the observations made by my friend from Wyoming [Mr. KENDRICK].

The Senator from Wyoming espouses with earnestness and eloquence the cause of Alaska. I think all of us are interested in the development of Alaska, as we are in the development of every part of our country, and are desirous that prosperity shall be showered upon the residents of Alaska. The Alaska Railroad was an experiment inaugurated under a Democratic administration. I thought it was a mistake, and I believe that time has proved that it was. It has cost the Government tens of millions of dollars without, in my opinion, commensurate benefits. I see no future for it under Federal control. That is the reason I suggested a few moments ago, as I have suggested heretofore when this question was under discussion, that the corporation be liquidated, that it be sold to private persons, and

that the Government get out of the business of trying to operate a railroad in Alaska.

The testimony brought to the attention of Congress from year to year during the past 10 or 12 years indicates that there was waste and extravagance and inefficiency in the administration of the affairs of the railroad—inefficiency and extravagance which, in my opinion, would not have existed under private control. The Senator calls attention to the coal fields in Alaska. We are familiar with that, and there has been ample opportunity for years for their development if private capital could have seen any benefits to be derived from engaging in their development. However, it should be remembered that efforts have been made to obtain title to coal lands, but without avail. The coal lands have, in part at least, been locked up by the United States. I think, though, that the time was deemed unpropitious for the development of the coal measures in Alaska.

Mr. KENDRICK. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. KING. I yield.

Mr. KENDRICK. For the information of the Senator, I may say that, notwithstanding the many discussions of coal development in Alaska, it is a fact that the only method of testing the thickness or extent of a coal vein which is now considered by coal operators as reliable, namely, a steel drill, has never been used in the coal beds of Alaska up to this time. The opportunity afforded through the proposed amendment to determine the facts at a limited expense seems to me to be one that a good business man like the junior Senator from Utah would follow, if he owned and held the property, to determine what ought to be done.

Mr. KING. Mr. President, the Senator flatters me when he attributes business qualifications to the junior Senator from Utah.

The coal fields of the United States have already been developed far more than the situation warrants; and the coal business throughout the United States has been—if I may be permitted the language of the street—in a very sick condition for many years. Means have been suggested for the purpose of meeting the situation and relieving those engaged in the coal business from the bankruptcy which has attended many, and from the depression which has come to all.

When the people of the United States need the coal of Alaska there will be private capital ready to obtain it if the Government will permit them to do so. In the State of Colorado there are millions of tons of anthracite coal. It can be mined cheaply. Transportation charges are reasonable; and yet the demand for this coal has not been such as to warrant the expenditure of sufficient capital for extensive development of these anthracite-coal fields.

In my own State there is more bituminous coal than in any other State in the Union. There are 21,000 square miles of territory underlaid with bituminous coal, measures which are from 5 to 27 feet in thickness. There is no better bituminous coal in the world than that produced in Utah. Many of the mines are idle. A number of companies that have attempted to develop them have met with serious reverses, because the markets were not sufficient.

I am not in favor of the Government engaging in private enterprises—in business that comes legitimately within the field of private endeavor. The functions of the Government are different from those of private persons. The Government should keep within its own domain. I repeat, whenever the needs of the country require, private capital will be available for the development of any worthy enterprise, one that will be advantageous to the people.

The population in Alaska has diminished from year to year. My recollection is that there are less than 29,000 people now living in Alaska. Notwithstanding the efforts which have been put forth by the Government to develop Alaska, to aid the inhabitants in their industrial and other activities, the population has diminished and is still diminishing. I do not think that the expenditure of a million or two million or five million dollars a year upon this railroad will be of any particular advantage to Alaska, and it will not be a great contribution to its population. For that reason I have been in favor of liquidating this organization, letting private capital experiment with the railroad, and I have no doubt that private capital would acquire it, but, of course, at a price far, far below that which has been expended by the Government in its development.

MODERNIZATION OF BATTLESHIPS

The Senate resumed the consideration of the bill (S. 4750) to authorize alterations and repairs to certain naval vessels.

The VICE PRESIDENT. The question is on the passage of the bill.

Mr. KING. Mr. President, we have before us a measure authorizing an expenditure of $30,000,000 for the so-called modernization of the battleships *New Mexico, Mississippi,* and *Idaho*. These powerful war vessels are of recent construction. The *Idaho* was completed in 1919, the *New Mexico* in 1918, and the *Mississippi* in 1917. These vessels were designed and built by our ablest naval engineers and experts and were the last word in naval construction. They are in excellent condition and will meet every test required of them for many years to come. They are not archaic or obsolete or defective. In our Navy there are 18 capital ships having a total tonnage of 525,850. The British Empire has 22 capital ships; Japan, 10; France, 9; and Italy 4; but under the terms of the London naval treaty the United States will suffer a reduction of 3, Great Britain 5, and Japan 1.

In my opinion the Navy of the United States is equal, if not superior, to that of any navy in the world. The Washington conference considered the relative merits and factors of strength of the navies of various participating powers and provided a basis of equality in capital ships for the respective participating nations. The United States has six capital ships which have been completed since the war, whereas Great Britain has but three. In our fleet there are 10 ships each with a tonnage of 30,000 or over. In the British fleet there are only three ships of 30,000 tons or over. In our Navy there are five capital ships whose guns outrange the British ships, with the exception of the *Rodney* and the *Nelson*. Our Navy has twenty-four 16-inch guns, while the British Navy has but eighteen. Within the past few years, and, of course, since the Washington conference, major alterations have been made upon a number of our battleships. The guns of the *Oklahoma* and *Nevada* were elevated several years ago, and since 1925 important alterations have been made upon the battleships *Florida, Utah, Arkansas, Wyoming, Texas, New York, Oklahoma, Nevada, Pennsylvania,* and *Arizona*. The cost of "modernizing" 10 battleships has been over $70,000,000. As I recall, most of our capital ships have been converted from coal to oil burning, and changes have been made for the protection of our capital ships against submarine attack. Deck protection against aircraft attacks has been provided, and new machinery installed, so that our capital ships, in my opinion, are equal to those of Great Britain.

Mr. Hector C. Bywater, a naval writer of ability, has recently stated that—

> * * * The United States Battle Fleet of 18 capital ships is the only completely oil-burning fleet in the world, which gives it an immense advantage over all others in steaming radius and strategical homogeneity. It is the only fleet of which every pre-Jutland unit has been or is being extensively reconstructed or modernized to embody war experience. It mounts 192 heavy turret guns, as against 166 corresponding guns mounted in the British fleet.

I shall not take the time of the Senate to refer to other classes of naval craft in our Navy or those of other nations. I desire to repeat, however, that in my opinion, notwithstanding the position of our naval board and of some who pretend to speak for the Navy, the Navy of the United States, taking into consideration all factors of strength, is the equal, if not the superior, of that of any other nation. I believe, however, that those who have controlled the policy

of the Navy and determined the kind of vessels to be constructed have been too indifferent to the naval contests upon the high seas during the World War, and the lessons to be derived therefrom. There seems to have been a determination to adhere to pre-war plans and to ignore or minimize the importance of submarines and airplanes and airplane carriers. Before the advent of the submarine and the airplane the battleship was regarded as not only the "core of the Navy" but practically the Navy itself. The other naval craft were merely auxiliaries of more or less importance.

It was apparent that our naval experts when they were insisting upon carrying out the naval program of 1916 were determined to yield nothing with respect to the place which battleships should occupy in our fleet. The views of Admiral Simms and Admiral Fullam were not in harmony with those of the Naval Board. The admirals just named insisted that too much emphasis had been laid upon the battleship and too little consideration given to the importance of submarines and airplanes. Speaking of the importance of airplanes, Admiral Simms stated a number of years ago:

> It normally adds to the ability of a country to defend itself. No battleship afloat can operate against the coast of an enemy within the range of the enemy's airplanes for this reason. A fleet that goes over there, whether it has 6 or 8 or 10 airplane carriers—suppose it has 10—that would be nearly 1,000 planes. With 30 planes each, it would be 300 airplanes coming up against the coast where we are operating from the beach, and we have 2,000 airplanes. It simply means that you are controlling the air absolutely and you will wipe out all of the air force, and you will be perfectly free to attack that fleet.

Referring to the fact that distance is an obstacle in warfare, he said:

> Great Britain with all her forces could not attack this coast without a base on this side to operate from. She has not a single ship that can come across the ocean and get back again, let alone stay here without assistance.

Mr. President, I think our naval experts have been too persistent in their demands for a 1-plane navy. In the language of the late Admiral Fullam, it is important that there be a well-balanced navy, a "3-plane navy." He meant, of course, the surface navy, the submarines, and the airplanes.

The bill before us is evidence, in my opinion, of the tenacity with which our naval authorities cling to the idea of a 1-plane navy. The battleships still constitute the navy.

Mr. President, I have believed that so long as the spirit of war existed in the world, and other nations were building navies, the United States should have a strong, modern, and up-to-date Navy. I have, however, upon a number of occasions criticized the enormous expenditures upon the part of our Government for military purposes. I have opposed the maintenance of so many naval stations and bases and naval yards and repair depots. The overhead of the Navy has been entirely too great and the enormous appropriations made for the Army and the Navy have not only been a burden to the taxpayers of the United States but they have aroused the fears of other nations. They could perceive no reason why the United States since the World War should spend more for its Army and Navy than any other nation was spending. There have been some who doubted the sincerity of the professions of the United States, that it desired disarmament and world peace, when they viewed the enormous military budget of the United States for each year following the World War.

May I add, Mr. President, though it may not be deemed relevant to the question before us, that in 1921 I submitted a minority report from the Committee on Naval Affairs in which I opposed the 1916 program and challenged attention to the vital importance of the submarine and airplane as factors in our Navy. In that report I used the following language:

> When the Secretary of the Navy and others declare that we must have the most powerful navy in the world, and when demands are made to execute a program that will cost more than a billion and a half dollars and entail upon the United States an annual expenditure of at least one-half billion dollars for its maintenance, other nations may not be criticized if they express some concern regarding our purposes. In my opinion, we can not reconcile our declarations that we desire peace and disarmament with the avowal that we shall complete the 1916 program and supplement it with modern aircraft, submarines, and so forth, at a cost of hundreds of millions of dollars. If we believe in relieving the world from the burdens of military and naval armament, let us set the example. The psychology of our action in carrying forward a militant naval program will be bad. It will tend to drive the world back into old paths—into policies based upon alliances and the balance of power, into the shadows and darkness from which we emerged when military autocracy in Europe was overthrown and when the right of determination was accorded to the peoples of the world. We should suspend the naval program to the extent herein indicated and either enter the League of Nations or address ourselves to obtaining an agreement with the great powers for the limitation of armaments and the establishment of tribunals for the settlement of international controversies.
>
> The wealth and power of the United States, together with its isolated position, give us primacy in the world. We should lead in every movement for justice and righteousness and peace. This propaganda for a Navy to outstrip the world has little or nothing behind it excepting an appeal to the national pride and vanity. The adding of capital ship to capital ship is bound to raise misgivings on the part of other nations and will incline them to ascribe ulterior and imperialistic purposes to our Government and will engender distrust and jealousy against a people who in their hearts sincerely desire the welfare of humanity. If the United States desires, as it should, to have the emulation of other nations, we should set them an example. Do we desire that they shall emulate us in the construction of men-of-war, or that they shall emulate us in our defense of the principles and purposes of international peace and justice?
>
> Whither are we to lead the world? That is the question. Shall it be along the lines of arms and war, or upon the paths of peace and trade and constructive progress, which shall turn the work and materials of the world to the increase of goods and riches and wealth, for the blessing of all the nations? Do we desire to impress the world with fear and terror of our country or with that respect and trust and confidence which an adherence to the principles of liberty, of justice, and of peace will invite from all other nations? These questions are before us. Our answer will determine the fate of the world.

Mr. President, the charge is frequently made that the Washington Naval Conference of 1922 was a serious blow at our Navy, and that it left the United States inferior as a naval power to Great Britain, if not to Japan.

Mr. President, there is no foundation whatever for such charges and they are unjust to the executive department of the United States which brought about that international conference. There is no doubt that if the United States had completed the 1916 naval program it would have been the unchallenged master of the seas; but, as I have indicated, the cost would have been a heavy burden upon the taxpayers of our country. This Republic had never asserted as a national policy maritime supremacy, and it had not been frightened into a departure from its traditional policy by political upheavals and military conflicts in other parts of the world. Undoubtedly the great conflict which involved many nations, even before the United States became a belligerent, produced important reactions in our country. This was proven by the enactment of the 1916 naval program which, as I have stated, called for the ultimate expenditure of a billion and a half dollars for naval construction and, of course, would materially increase the annual ordinary expenses of our Naval Establishment. Our Allies, as well as the defeated powers, following the war, were endeavoring to adjust themselves to postwar conditions and to extricate themselves from the serious and calamitous conditions resulting from the war. Neither Great Britain nor Japan, nor any of the naval powers, were projecting new naval programs or planning important naval construction. But when the United States pushed forward the construction of the gigantic war fleet contemplated by the 1916 program, Great Britain and Japan, as well as other nations, took cognizance of the same and sought to ascertain the reason for this apparent warlike movement. A situation developed which interrupted the nations struggling for relief from the oppressive burdens resulting from the World War. Fears and jealousies were aroused which produced a dangerous psychology and tended to revive the spirit of war. Some people saw in the naval program of the United States a determination upon our part to dominate the seas and to exercise undue influence, if not authority, in other parts of the world. The situation proved the truth of the statement often made that large expenditures for naval and

military purposes arouse the fears and often the resentment of other nations.

Secretary Hughes, when speaking before the American Society of International Law, in Washington in April, 1927, referred to our naval program of 1916, and said:

> * * * Whatever the motive that inspired our naval program of 1916, it was clear, after the end of the war, that it was unnecessarily extensive and had become essentially provocative. * * *
>
> The question pressed, Against whom was it directed? Germany's naval power was destroyed. There were but two other great naval powers—Great Britain and Japan. It was natural for Japan to misinterpret the motives back of the continuance of our ambitious naval force. I am informed that responsive to ours, Japan's naval expenditure, which was less than $100,000,000 in 1917, had been increased to over $270,000,000 in 1921.

Senators will recall that the naval program of 1916 authorized the construction of 16 capital ships, together with a large number of destroyers, submarines, scout cruisers, torpedo boats, transports, fuel ships, tenders, and other auxiliary naval craft, the cost of which would have been greatly in excess of $1,000,000,000. Of course, a fleet of such magnitude would have been superior to that of any nation, and the annual cost of its maintenance would have been an increasing burden to the American people. It would have required larger docks and naval bases, and would have materially increased the personnel of the Navy. The General Board of the Navy determined to adhere to the 1916 naval program and submitted a report in favor of that program. Admiral Sims, speaking of the report, declared that "it was very largely mistaken." He was not in harmony with the position taken by the naval board in its insistence upon the construction of so large a number of capital ships. He believed that the naval engagements of the World War demonstrated that the battleship was not so important as it had been thought to be, and that submarines and airplanes and airplane carriers must be regarded as imperatively needed in naval warfare. It is certain that the chauvinistic attitude assumed by the Navy Department and some Americans in 1920 and 1921 produced reactions among naval powers. As Secretary Hughes stated in the address from which I have quoted, the question was asked, "Against whom is the United States building?" There was much jingoistic talk that war with a Pacific power was inevitable, and some portions of the American press declared that a conflict between the United States and Great Britain could not long be postponed. Japan revised her naval budget in the light of our 1916 naval program, and Great Britain, which had not laid the keel of a single war vessel since the armistice, but, upon the contrary, had scrapped hundreds of her naval craft, began preparations for the construction of a number of naval vessels.

The fears of other naval powers were not allayed by the repeated statements made in the United States in 1919, 1920, and 1921 that the enormous appropriations for naval and military purposes were only intended for the defense of the United States. Senators will recall that in the years just mentioned there was much extravagant and feverish talk in the United States about "preparedness." Civilians and military and naval officers indulged in solemn warnings that the United States must be "prepared" in a military and naval way against any possible foe—though most nations were bankrupt, and there was no real or imaginary foe of the United States—and therefore justified the naval program to which I have referred. In passing may I say that Germany when she was building a powerful navy and maintaining an army of larger proportions than any in the world insisted that her military establishment was moderate and designed exclusively for "defensive purposes." France, Italy, and other nations contended that their armies and navies were designed solely for the "defense" of their respective countries. Imperialistic nations have not infrequently, under the guise of "national preparedness," laid plans which they subsequently sought to execute for the conquest of other countries. Statesmen who desired world peace and unity perceived the apparent militant manifestations of the United States in 1920 and 1921, and some of them anxiously sought ways and means to avert any international conflict. Repercussions produced by our naval program appeared in Japan. Mr. Bywater in his Sea Power in the Pacific gives an account of a discussion which took place in a committee of the Japanese Diet in 1920. A few quotations will be illuminating upon this point:

> A member: For how long a period will the requirements of the navy be covered by this bill?
>
> Admiralty reply: No definite answer can be returned to that question. The program now before you is the minimum consistent with our needs to the end of 1924. It is not considered wholly adequate by the imperial navy department, especially as regards the number of cruisers and submarines, these being types to which special importance is attached. Developments in the naval policy of foreign states can not be ignored by us.
>
> A member: Does this program take cognizance of current naval expenditure in the United States and England?
>
> Admiralty reply: Yes; it was not prepared until the extent of current naval expenditure by those two powers was known to us. Any substantial additions which may be made to either of them would compel us to reconsider our own budget.
>
> A member: Are we, then, building warships against the United States or England, or both?
>
> Admiralty reply: No; against neither. The navy department deprecates such suggestions. But it is obvious that our program must be influenced by what is being done abroad.
>
> A member: The political outlook must indeed be grave if the navy department feels warranted in demanding £68,000,000 for new warships at a time of such pronounced economic stress. The committee would welcome a more detailed explanation of the department's reasons for this heavy demand.
>
> Admiralty reply: The program is dictated by requirements of strategy. It was not drawn up without earnest consideration or without due allowance being made for the country's financial situation. Every nation must, however, be prepared to make sacrifices if it desires to be safe from foreign aggression.

The naval budget of Japan for 1920 and 1921 was materially increased, and it is apparent that the discussion in the Diet which, I understand, preceded an increased appropriation, was precipitated by the policy of the United States in feverishly pushing to completion the 1916 naval program.

Fortunately there were many in the United States who disapproved of the feverish haste with which the United States was building battleships and war craft and who foresaw the serious menace to world peace which would result from the military preparations of the United States. The Washington conference was in response to the growing demands of the American people that the 1916 naval program should be modified or abandoned. Though the Washington conference was not productive of all that it was hoped and desired, it was an important event in human affairs. The work of President Harding and Secretary Hughes in promoting this conference leaves an imperishable monument to their names. The Washington conference demonstrated that powerful nations could meet together and resolve upon practical methods for the reduction of armaments and remove the causes of jealousy and fear and at the same time diminish the causes of war. That conference allayed suspicions and apprehensions which existed in various nations and removed enmities that threatened the peace of the world. It strengthened the belief entertained by millions throughout the world that through international conferences and agreements conflicts might be averted and world peace promoted. It is true the conference did not deal with all naval categories and left much to be desired. I regret that it did not more effectively deal with battleships and with other forms of naval craft. It did, however, march far along the highway of achievement, and the obligation rests upon this country, as well as others, to complete the task of reducing the armaments of the world to the vanishing point and providing judicial and other instrumentalities for the settlement of disputes arising among nations.

It was expected that the London conference would be an important and, indeed, a vital supplement to the Washington conference. I confess that the results of that conference were most disappointing to me. It did not reduce our naval expenses, and as interpreted by many it calls for new naval construction of considerably more than a billion dollars within the next five years. Quite recently Admiral Pratt, the Chief of Naval Operations, transmitted to the House Committee on Naval Affairs a statement which, as I recall, declared that to carry out the terms of the London treaty

$1,100,000,000 would be required for "new naval construction," which with the air program would make an aggregate of $1,250,000,000. The hopes of the American people that their naval burdens would be diminished as a result of the London conference have been rudely shattered, and with the ratification of the treaty there have been accumulating evidences that the cost of our Navy will not be diminished, but upon the contrary greatly increased.

Mr. President, in my opinion, no sufficient reason exists to justify expending $30,000,000 upon the three battleships mentioned. The condition of our Navy does not justify this expenditure, nor does the situation of the world call for this navalistic display. What the world needs to-day is peace and not war; food and clothes and homes and the necessities and comforts of life, not new forts and armed vessels and gaudy trappings of military power. It seems to me that a pronounced atavistic spirit has manifested itself when we spend so much time in talking about war and preparations for war. Certainly there should be no ground for the expressions not infrequently heard in this and other countries, that the treaties which have been negotiated calling for arbitration and renunciation of war, were not animated by sincere convictions and were not expected to be observed. The Kellogg-Briand pact was hailed by millions of people as a harbinger of peace. When the signatories to that pact declared that they solemnly renounced war and promised to settle disputes through peaceful agencies, new hope came into the hearts of men. They knew of the horrors of war; of its devastation and ruin; of its obstacles to progress and to the happiness and welfare of the peoples of the world. They realized that they were struggling under burdens of debt and that their children would be bound by creditors' chains which war had forged; and they looked with the deepest satisfaction and, indeed, inexpressible joy upon this international agreement which gave a promise of world peace.

Mr. President, notwithstanding the numerous treaties among nations calling for arbitration, and the provisions in the League of Nations for disarmament, and the Kellogg-Briand pact, which contains a solemn renunciation of war, we are constantly met with the demand that we must increase our military forces, strengthen our Navy, and expend larger sums for the maintenance of Military Establishments. This Republic occupies a strategic position for the promotion of world peace. Its material strength and power, its impregnable provision from invasion or assault, its freedom from imperialistic designs—all these factors and more, crown it with leadership for the guidance of the world along the paths of peace and world unity. But if the United States, with all its advantages, its strength, its power, shall engage in warlike preparations and employ the language of war, it will, in the words of Secretary Hughes "become essentially provocative." It will arouse fears among other nations, and these fears will be followed by resentments that will have their repercussions throughout the world.

Mr. President, there is too much talk of war, and many in this and other lands believe that a war psychology is being developed which constitutes a menace to world peace. We should be the peacemakers and the leaders along the paths of peace. There is no nation that we fear, no lands that we covet, no ambitions which we cherish hostile to other peoples or nations. We are as a city set upon a hill to point the way to world unity.

In 1935 a world conference will be held in the interest of disarmament. Between now and then every effort should be made to strengthen the forces of peace. If that were done, when this important international conference meets it will breathe the atmosphere of peace and good will. Its representatives will not gather armed with weapons of destruction and filled with suspicions and animosities.

I repeat, Mr. President, when I say that upon this Government rests a responsibility which has never been borne by any other nation in the history of the world. This statement is no disparagement of other nations, nor is it uttered in any spirit of arrogance or pride. Important and powerful as are other nations, they do not occupy that advantageous position to carry forward the movement for disarmament and brotherhood that is possessed by the United States. Its responsibility must not be shirked and the crown of leadership must be worn with humility. We must inspire in the hearts of the people everywhere a supreme faith that war must be outlawed, that peace must reign, and that humanity must be drawn within the circle wherein justice is found and the moral law is supreme. I know that this view is derided by many. They regard international peace and fellowship as an iridescent dream and believe that humanity is condemned, like Sisyphus of old, to forever vainly struggle to roll the stone of a redeemed and peaceful world to the summit of international good will.

Mr. President, I have faith in the future, in the spiritual and moral forces operating in the hearts of men, and I believe the day will come spoken of by the Prophet Isaiah, that men "shall beat their swords into plowshares and their spears into pruning hooks, nation shall not lift up sword against nation, neither shall they learn war any more."

Mr. President, in addition to the $30,000,000 carried by this bill for naval purposes, within a few days the Senate will have before it a measure calling for appropriations of approximately $375,000,000 to meet the "ordinary" expenses of the Navy Department for the next fiscal year. There is a bill on the calendar reported by the Naval Affairs Committee, the passage of which is being urged, which carries more than $82,000,000 for the construction of various war vessels to be added to our naval fleet. Among them are one aircraft carrier to cost, including armor, armament, ammunition, and airplanes, $27,650,000; one flying-deck cruiser to cost, including armor, armament, ammunition, and airplanes, not to exceed $20,780,000; one cruiser to cost, including armor, armament, ammunition, and airplanes, not to exceed $16,605,000; submarines to cost, including armor, armament, and ammunition, $17,600,000. There are other provisions in the bill which may call for further appropriations.

Yesterday, as I am advised, the House considered a similar bill which carries appropriations in excess of $82,000,000.

Mr. HALE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Maine?

Mr. KING. I yield.

Mr. HALE. I think the Senator is referring to the construction bill that was reported to the House yesterday.

Mr. KING. Yes.

Mr. HALE. I do not think the House has passed the bill.

Mr. KING. Will the Senator advise me as to the amount that the bill carries?

Mr. HALE. I think it cuts out a $16,000,000 cruiser and carries the figures the Senator has already given with sixteen-odd million dollars cut out of the bill.

Mr. KING. What is the aggregate? Does the Senator recall?

Mr. HALE. About $70,000,000, with the exception I have stated. That is the same bill that we have before the Naval Affairs Committee now.

Mr. KING. The House will soon pass the naval bill carrying nearly $400,000,000 to meet the expenses of the Navy Department for the next fiscal year.

Mr. President, in addition to the expenses for the Navy, we are to make large appropriations for the Army. I have in my hands the report submitted by Mr. BARBOUR, of the Committee on Appropriations of the House, dealing with H. R. 15593. As reported, the measure carries more than $446,000,000. It seems incredible that the cost of maintaining our Army reaches figures of such magnitude. That amount is greatly in excess of the total expenses of Germany for her mighty army at a time when it was claimed she was preparing for a great military conflict. I should add that a part of this sum is for other purposes than military. The appropriations asked by the executive department for the Army and the Navy for the next fiscal year will amount to more than $800,000,000.

Mr. President, this is a stupendous sum to appropriate for military purposes for one year, but this does not end the chapter. The President and the Navy Department are calling upon Congress to expend within the next five years, as I recall, more than $1,100,000,000 for new naval construction. It is contended that this must be done to meet the requirements of the London naval treaty, which has received so much unwarranted praise.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. I should like to inquire whot information the Senator has that the PPresident approves the program.

Mr. KING. The delegates of the United States to the London conference, if I understand their position, interpret the treaty as calling for an appropriation of more than a billion dollars for new naval construction before the end of 1936. The President has approved the treaty and, as I understand, places the same interpretation upon it as is given it by our delegates. Moreover, as I am advised, the President desires that Congress shall appropriate approximately $80,000,000 during this session to begin new construction of naval vessels, which will constitute a part of the program requiring an expenditure of between $1,000,000,000 and $1,200,000,000. I think the statements of one or more of the delegates before the Foreign Relations Committee of the Senate fully confirm what I have just said.

Mr. WALSH of Massachusetts. I am aware of the fact that in order to make the London treaty an actual fact it is necessary to spend the sum of money named by the Senator; but I have not yet been informed as to what the President's attitude in this matter is.

Mr. KING. My recollection is that the President, either in his letter transmitting the London treaty to the Senate or upon another occasion, approved the treaty and recommended not only its ratifications by the Senate but the naval construction program which it seems to authorize but does not command. As I understand, the view has been generally accepted by the executive department, as well as by the country, that the treaty which the President asked to be ratified contemplated that the United States would expend more than a billion dollars for new naval construction prior to the close of 1936.

Mr. WALSH of Massachusetts. Does the Senator think that everybody who supported that treaty should vote for increased appropriations to build the number of vessels necessary to place our Navy on a parity with the navies of other countries?

Mr. KING. No.

Mr. WALSH of Massachusetts. That is why I inquire about the President's attitude, because I know that there are certain Senators who do not feel that they ought to support a program for the purpose of building the Navy up to those requirements, and I hope the President does support the program.

Mr. KING. I hope the President will not further urge that the entire program of construction referred to shall be carried out. Of course, a situation might arise calling for large expenditures for new naval vessels, but in my opinion there is nothing now apparent to justify entering upon a construction program involving over twelve hundred million dollars. Certainly the treaty is not a mandate for the United States to spend that huge sum for new naval vessels. It was not a signal for the participating nations to enter upon a naval construction race. I am forced to state, however, that, as I understand the President's attitude, he has given approval to the work of our representatives in the London conference and, as stated, has recommended or will recommend that this Congress make an appropriation of approximately $80,000,000 for new naval construction, and may I add that the $30,000,000 carried by the bill before us constitutes no part of the new naval construction program which it is claimed is authorized by the London treaty.

May I say to the Senator that I voted for the treaty reluctantly. I was not satisfied with its terms and believed that it did not accomplish what was expected by the American people.

The country had been led to believe, from the statements emanating from the conference between the President of the United States and Mr. MacDonald, that a treaty would be negotiated that would materially reduce naval costs and halt naval competition. Premier MacDonald had stated that the question of parity was of no importance, that the United States could have parity until it was overflowing; and President Hoover had stated that—

> We will reduce our naval strength in proportion to any other. Having said that, it only remains for the others to say how low they will go. It can not be too low for us.

Mr. President, in the consideration of international questions, particularly where they involve policies of the executive department, I am willing to go a long way in giving them support, particularly if the President is not of my political faith. I want always, if I can, to support the executive department in its conduct of international affairs. I have believed that there should be no partisanship in the consideration of executive policies dealing with international questions.

Apropos of my reference to Premier MacDonald, permit me to further state that he announced before or during the London conference the willingness of his Government to reduce the number of capital ships with a view to their elimination.

Mr. REED. Mr. President, will the Senator yield for a question?

Mr. KING. I yield.

Mr. REED. Can the Senator tell us when that sentiment was expressed by Mr. MacDonald?

Mr. KING. Mr. President, the press contained many statements to the effect that the British Government was desirous of taking up at the conference the question of capital ships; and, as I remember, some newspapers were critical of the American delegation when it was reported that they were unwilling to consider that question, but preferred to confine themselves to the consideration of the cruiser problem.

Mr. REED. Mr. President, if the Senator will permit me to interrupt him, I would like to say that I never heard that Mr. MacDonald had ever expressed a willingness to consider the abolition of capital ships. The only suggestion I heard on that score came from nations which had no capital ships of any account and which, consequently, were very anxious to have us destroy ours. I do not remember that the British ever advanced that suggestion.

Mr. KING. Mr. President, I feel confident, if we are to believe the numerous reports which came from abroad, that the question was suggested by Mr. MacDonald that the conference consider the question of limiting capital ships, with a view to their ultimate elimination, and the press reported that our delegation declined to consider the proposition, but, upon the contrary, made the suggestion that the United States be authorized to construct another capital ship of the *Hood* type.

Mr. REED. A great many propositions were made to and fro in a process of trading, naturally. We wanted to be sure that the right to modernize these ships was recognized. There was a suggestion at one time by the British about reducing the tonnage of capital ships, but I assure the Senate that no matter what the newspapers may have sent—and they seemed to have sent a good deal of everything—there was no responsible suggestion from the British that capital ships be abolished.

Mr. HALE. Mr. President, will the Senator yield to me a moment?

Mr. KING. I yield.

Mr. HALE. The Senator from Pennsylvania stated that at one time there was a suggestion by the British about de-

creasing the size of battleships. There never was any question, was there, of the British giving up their present ships?

Mr. REED. Not at all. It was always assumed that they would keep the strongest ships they now have, including the *Hood*, which is a bigger ship than any ship any other country in the world has.

Mr. HALE. The *Hood* is a cruiser.

Mr. REED. Yes; a battle cruiser.

Mr. KING. Mr. President, it is my recollection that the question was—if not formally, then informally—suggested by representatives of Great Britain, France, and Italy of reducing the number of battleships permitted under the Washington treaty of 1922 and of prolonging the lives of battleships and of considering in a general way the question of capital ships. My recollection is that no encouragement was given to that suggestion by the representatives of the United States.

Mr. REED. Mr. President, does the Senator wish to have me answer that now?

Mr. KING. Just as the Senator pleases.

Mr. REED. It is perfectly obvious that the situation today is that Great Britain and the United States and Japan, having the only modern battleships there are in the world, dominate the seas, and all the other nations, such as France, Italy, Germany, and Spain, which are building up navies, and which have no battleships, would be perfectly delighted to have us sink ours. The suggestion never was seriously considered, either by the British Admiralty or by our own admiralty, or, so far as I know, by the Japanese Admiralty.

Mr. KING. Mr. President, I have no doubt that many nations would be glad to see battleships abandoned. I think a majority of the people of the United States, appreciating the development of the submarine and the airplane, and the new instrumentalities of war, would be glad to see battleships abolished by all nations. I believe they approve the views of Admiral Sims, of Sir Percy Scott, and of many other great naval experts here as well as in other countries, who declare that the present relative strength of the navies of the world could be maintained, even if all capital ships were abandoned.

Mr. President, recurring to the position which I understood was taken by Prime Minister MacDonald, I can not help but believe that he, as well as the representatives of France, Japan, and Italy would have been glad to expand the work of the conference and to add to its agenda, the question of reducing, if not abolishing, capital ships. I recall that Mr. MacDonald, a short time before the conference, made a statement to the effect that the position of the British Government was in favor of the ultimate abolition of the battleship. Shortly after the opening of the conference a memorandum was prepared by the British delegates declaring the position of the Government on various questions to be considered in the conference. This memorandum—or the substance of it—was subsequently published as an official white paper of the British Government. The press summary which I saw was as follows:

The Government proposed that the number of capital ships for each signatory fixed by the Washington Treaty should be reached within 18 months of the ratification of the treaty resulting from this conference instead of by 1936. It proposes that no replacement of existing ships should take place before the next conference in 1935 and that in the meantime, the whole question of capital ships should be the subject of negotiation between the powers concerned. The Government will press for reduction though, of course, without disturbing the Washington equilibrium. Its experts favor a reduction in size from 35,000 tons to 25,000 tons and of guns from 16 inches to 12 inches. They also favor a lengthening of the age from 20 to 26 years. The Government hopes that there will be an exchange of views on this subject during the conference. *Indeed, it would wish to see an agreement by which battleships will in due time disappear altogether as it considers them a very doubtful proposition in view of their size and cost and of the development of the efficacy of air and submarine attack.*

It will be observed that this proposition went directly to the question of the abolition of capital ships; it also called for a reduction in the number of capital ships, and also a reduction in their tonnage from 35,000 to 25,000 tons. It also proposed the lengthening of the age from 20 to 26 years. My recollection is that the Italian and French delegates signified their willingness to discuss the question of capital ships and their reduction if not their abolition.

I have before me a copy of the New Republic, dated February 12, 1930, in which the question, "Can battleships be abolished now," is discussed. Reference is made in this article to the offer of Mr. MacDonald to abolish battleships.

The writer states that—

Ramsay Macdonald has offered the world the first opportunity it has ever had completely to scrap a great section of its armament. Mr. Hoover's Government has blocked that program, and, if it maintains its position, will completely scuttle it at London.

I do not agree with that latter statement.

Both of these actions are surprising, but more amazing still is the apathy of the American public.

For once there is a real possibility that the nations of the world can engage in sweeping disarmament. Their governments are hard pressed on budgets; their peoples cry out for food, shelter, and employment; huge savings that would follow the elimination of the battleship would be a godsend to them, and they are willing to make the considerable sacrifice of pride and tradition that would be required.

Without reading the article further, Mr. President, I desire to insert excerpts from it in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The excerpts referred to are as follows:

* * * Mr. Macdonald created an unusual opportunity for public discussion and individual judgment. He made the American Government's policy on battleships an issue by bringing it into the open. The administration at Washington was not grateful. It was "surprised" that the British Prime Minister should drag the whole matter before the public "in the face of the fact" that he was fully informed of the Washington Government's settled opposition to his proposal. It was an embarrassing position to be placed in, and the administration had to make the best of it. Therefore the public was informed that Washington did not "expect" agreement on abolition, although the American delegation would do everything it could to secure an extended holiday in replacements and actual reduction. * * * Mr. Macdonald had offered them a perfect opportunity to make an issue of the disappointing position of the American Government. One looked for a broadside in the press, from the pulpits, over the wires, on the air, demanding that Mr. Hoover and his representatives go the whole way with the British, if not farther. Very little, if anything, happened. There were no editorials, largely because no one pointed up the issue; Washington had said there was no issue; that no agreement could be reached; and that was accepted without protest. There was not sufficient comment in the press to furnish material for a review of the battleship question in the Literary Digest. Liberal journals and peace organs felt some observations were called for, but they were not particularly concerned; they imagined that, with great astuteness, the American delegation might be creating a strong bargaining position for use later on, and they considered a prolonged holiday about all that could be expected, leaving the nations another opportunity to agree on real abolition later on. There were counsels of caution—Washington and the delegation knew what they were about and should not be embarrassed by a show of disagreement at home. Word was passed round that the administration was advising peace forces to refrain from open criticism lest they arouse the military factions to greater activity. Every plausible reason for inaction was discovered. For once there is a real possibility that the nations of the world can engage in sweeping disarmaments. Their governments are hard pressed on budgets, their peoples cry out for food, shelter, employment. The huge savings that would follow the elimination of battleships would be a godsend to them, and they are willing to make the considerable sacrifice of pride and tradition that would be required.

* * * * * * *

Correspondents in London and Washington reiterate, "There is no change in the American position * * *. There is, at least, an even chance that these optimists are foolish and deluded. There seems little doubt that the American delegation is using all of its influence to keep battleships out of the discussion, or at least to postpone consideration of them to the last, and they probably have sufficient force back of them to get their own way with the agenda. If battleships are taken up after agreement has been reached on other craft, it is clear there will be no abolition and no great reduction. Elimination of first-line ships at that time would force the conference to start at the beginning again and readjust all the schedules in the light of the changed situation, for not only the relative strength of the powers but also the character and number of all types of fighting ships must be determined in relation to capital-ship strength. The conference could not leave battleships to the last if it meant to eliminate them * * *. Of all the national positions taken at London the American opposition to capital-ship abolition is the weakest and most unconvincing. It could be given up with the least sacrifice, and if not graciously there will be little bargaining power with which the American delegation can urge others to make more real

sacrifices. Nothing could do so much to create a new atmosphere of trust and confidence as a change of position at Washington * * *.

Mr. KING. I have a clipping from the Ontario Morning Journal of February 12, 1930, containing an editorial under the head, A Surprising United States Demand. I ask that it be inserted in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

* * * The painful surprise of the naval parley is America's demand for the right to build a new battleship of the most powerful class on the ground that she is to make her category of capital ships equal to Great Britain's. The startling announcement was kept back from the public for nearly a week after it was made at the conference for obvious reasons—for fear of the bad effect it might have on the situation. And, no wonder. It flies in the face of Britain's proposal to abolish battleships altogether, and, failing that, to prepare the way gradually for such elimination. It flies in the face of Mr. Hoover's strongly expressed determination that there should be not only limitation of naval armaments but actual reduction. The President's Armistice Day speech contained the words: "It only remains for the others to say how low they will go. It can not be too low for us." The new proposal to lay down the most powerful capital ship in the world will, if accepted, block the path of naval reduction for years to come, for it will take years to build and years will elapse after that before the nation would be willing to sink it. * * * Let it be repeated that the British proposals concede parity to the United States, but advocate that such parity should be based on lesser allotments of ships in some categories and a total elimination of others. As presented by Premier MacDonald, Britain would like (1) to bring about the entire abolition of battleships or, if that is impossible, a reduction in the size and gun power in new battleships with a view to their ultimate disappearance. It would proceed by various devices of hastening scrapping, delaying replacements, increasing the age of ships, and reduction in the size of ships and guns; (2) to suppress submarines entirely or, failing that, to reduce their size and numbers; and (3) to curtail the number of destroyers. What the British Prime Minister desires is the longest possible immediate step in all-round naval reduction as the basis of much more radical cuts at future conferences. In short, the joint governments of the British Empire believe the conference ought not only to reduce the existing fleets and building programs but to put an end finally to competition in naval armaments as a means toward the establishment of peace on an unassailable basis. * * *

Mr. KING. In support of my statement that the press discussed the proposition of Ramsay MacDonald relating to battleships, I call attention to an editorial in the Portland (Me.) News, January 31, 1930, which I ask to be inserted in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to reads as follows:

It can not be too low for us.

Premier Ramsay MacDonald, representing Great Britain, having already yielded the centuries-old position of Britannia's rulership of the waves, and conceded naval parity to us, offered the United States complete abolition of battleships.

Henry L. Stimson, head of the American delegation to the London conference, the purpose of which is naval disarmament, does not quite see his way clear to accept the complete abolition of battleships.

Secretary Stimson, however, urges that the submarine be abolished, and states that the United States is willing to do away with undersea vessels entirely.

France, however, can not quite see its way clear to abolish the submarine completely.

Given the example of the United States in respect to Great Britain's clean-cut and definite offer to abolish a category of war vessels, one can not exactly blame France for hesitating about yielding to our request for the abolition of a category of ships which she deems useful for defense.

How practical, how effective, and how tangible a result it would have been had the United States promptly accepted Great Britain's offer to abolish battleships.

How logical and irresistible would then have been our demand to France that she, too, abolish an entire category of war vessels—submarines.

How further consistent such a position of the United States would have been in view of the declaration in President Hoover's Armistice Day address:

"We will reduce our naval strength in proportion to any other. Having said that, it only remains for the others to say how low they will go. It can not be too low for us."

What an achievement it would have been if, within a week of the opening of the conference, the world could hear that:

I. Battleships had been abolished.

II. Submarines had been abolished.

And how infinitely greater would not then be the momentum for cutting drastically into the remaining categories—cruisers, destroyers, airplane carriers.

Then arms reduction would have been a fact, a glorious fact, a great accomplishment.

It is not yet too late to hope for such a result.

Public sentiment throughout the United States might yet achieve it.

Mr. KING. In an editorial appearing in the Rochester (N. Y.) Times-Union, February 17, 1930, this statement is made:

The Times-Union does not believe the Nation or the people want a superbattleship of the type suggested by the experts of the American naval delegation in London.

The editorial further proceeds:

Those who view this conference as one of a series of steps toward removing fear, and the hostility born of fear, from the world, will ask little argument on this point. Commitment to the building of a new capital ship at tremendous expense would be a poor, a very poor result to place before the American people as the result of a conference called for the express purpose of limiting or actually reducing armaments.

For those who are less hopeful regarding ultimate disarmament and lasting peace, there are certain practical considerations which should weigh heavily against building such a superbattleship.

First. We believe there is grave doubt as to the future or present utility of the monster battleship as an instrument of naval warfare. The new weapons of the sea, the constant progress being made in the design, range, and power of both airplanes and submarines, lend force to this view. It is held by many naval experts, British, Japanese, and American. The French have long leaned to this theory.

Furthermore, we do not believe the United States Fleet needs such a ship to equal the British. We have to-day three battleships armed with a total of twenty-four 16-inch guns. The British fleet has two ships armed with a total of eighteen 16-inch guns. If 5 of Britain's 20 capital ships are scrapped and 3 of America's 18, we shall have numerical parity and probably as close to power parity as is possible.

To sum up, the superbattleship proposal should be snubbed decisively because it is contrary to the entire trend of international thought and effort, because it is of doubtful naval value, and because it is not needed for defense.

The Waterbury (Conn.) Republican, February 6, 1930, referring to the reported agreement between Secretary Stimson and the British Government to scrap three American capital ships and five British ships, states:

LIGHTENING THE LOAD

The agreement which is reported to have been reached between Secretary Stimson and the British Government to scrap immediately three American capital ships and five English, and extend the building holiday in this class of ships until 1936, is eminently sensible. The proposal is not a radical departure from programs already established but simply seeks to accomplish at once what will occur in 1936 under the terms of the Washington treaty.

The other three countries represented at the conference are not so closely affected. Japan, with 10 capital ships, would have to scrap 1 to bring about the established ratio of 15-15-9. France and Italy have for some time shown an indisposition to build the huge dreadnought and are concentrating their efforts on small craft. Even if the scrapping of eight or nine capital ships had no moral effect, its economic consequences are well worth weighing. It costs America $3,500,000 a year to maintain and operate a capital ship. If three were discarded the annual saving would be $10,000,000 and the total for the five years would be $50,000,000. England's saving might be placed at between $60,000,000 and $70,000,000, and Japan's at about $10,000,000. The greatest saving, however, would be accomplished by a suspension of the program of replacing ships within the next five years. Both the United States and England are due to lay down eight capital ships each in that period, with a cost to the United States of $400,000,000, to the British of $300,000,000, and of $200,000,000 to Japan for the six capital ships she is entitled to build. The grand total is a billion dollars for the three, and $450,000,000 for the United States. The proposal, if adopted, would prove an appreciable lightening of the burden, especially for England, where there is a decided pinch.

Not only would such an agreement constitute a blessing in itself but it should become a long stride toward the ultimate goal of disarmament. With capital ships reduced in 1936 to 15 in each navy, it would be easy to reach another agreement to allow the old ships to be discarded without replacements, reducing the number perhaps to 10, and eventually to none. With nations used, then, to the idea of reduction, the war on armaments should progress even more swiftly.

The Dayton (Ohio) News, in its issue of March 13, 1930, in discussing the London conference, states that the obligation rests upon America—

To lead off for disarmament. * * * We have seemed to become demanders of armament for ourselves rather than offerers of disarmament for all. * * * The American delegation has seemed to be the obstacle to the abandonment of the dreadnought.

To show that the question of the abolition of battleships was directly or indirectly before the London conference and

was discussed not only in the United States, but in Great Britain, I call attention to an editorial from the Ottawa (Ontario) Morning Journal, January 22, 1930. The editorial is entitled, "Will the Battleship Go?" I ask that it be inserted in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

It is clear from the cable dispatches that Great Britain, for centuries mistress of the seas, still leads all nations in her supreme efforts to get real results from the naval conference which has just opened in London. Mr. Ramsay MacDonald has expressed the hope that battleships may be abolished, if not forthwith, at least gradually. This proposed departure has the backing not only of the Labor Party, but also the conservative or unionist opposition. Conservative newspapers, such as the London Times, the Morning Post, and the Morning Telegraph have been campaigning recently for battleship abolition. So too the influential British weekly press has united in advocating suppression of big capital ships. The New Statesman is quoted as saying, "To reduce the maximum size of battleships from 35,000 to 30,000 or 25,000 is not enough. If battleships can not be abolished altogether, they ought at any rate to be limited to 15,000 or even 10,000 tons." The Spectator observes "The sole function of battleships is to fight battleships. If they were abolished no country would be in a more dangerous position than it is to-day." The Saturday Review says that the two main questions before the conference will be the Mediterranean situation and battleships. It repeats Sir Percy Scott's question, "What is the use of the battleship?" It adds that battleships are simply ships to be used in battle. If there is anything in the Kellogg peace pact outlawing offensive war, they should go.

France and Italy apparently second Britain's proposal to eliminate battleships. Le Temps, of Paris, declares: "It must be admitted that if consolidation of peace by reduction of armaments is sincerely desired, Mr. MacDonald is in the right. Capital ships are the offensive weapons par excellence. It is this arm which in good logic must first be reduced or suppressed before a beginning is made in limiting the essential means of defense." In short, European critics join in emphasizing the argument that the battleship is an essentially aggressive weapon, and that the conference, proceeding from the Kellogg pact, should turn its attention first to these offensive ships, because the antiwar pact justifies only wars in self-defense.

At the time of Mr. MacDonald's visit to Washington Mr. Hoover protested that reductions could not be too drastic for the United States. In spite of this Mr. Edwin J. James, who accompanies the American delegation in London as a representative of the New York Times, cabled his newspaper last week:

"Official and unofficial evidence points to the United States refusing to adopt the principle of the eventual wiping out of capital ships. It has been emphasized that America regards battleships as the backbone of the Navy. While with possible modifications America would agree to the postponement of replacements until 1936, it seems there is little likelihood that Washington will accept the idea that the biggest warships of the future should be only about one-third the size of the capital ships of to-day."

The week closed with the impression that the United States, proponent of the Kellogg pact abolishing war as an instrument of national policy, would block the apparent wish of all the great powers, except perhaps Japan, to have battleships discarded as by far the most expensive and by all means the most aggressive and warlike of all naval units.

Mr. KING. Mr. President, I can not help but feel that the London conference failed to interpret the letter as well as the spirit of the Kellogg-Briand pact. As I have said, that was a solemn treaty entered into by substantially all nations of the world, renouncing war in favor of the settlement of all disputes by peaceful means. No wonder cynical and critical expressions are constantly heard that the peace pact was a mere gesture to satisfy the idealists, but was intended to be interpreted literally.

Senators will recall that an appeal was made to the American delegates, which was signed by more than 1,200 of the leaders of thought in the United States, urging that the conference conduct its negotiations "* * * in full remembrance of the fact that all of the powers of London have agreed in the pact of Paris to renounce war in favor of settling disputes by peaceful means." This message was a powerful appeal to the American delegates in favor of the reduction of armaments and the application of the principles of the pact of Paris to the work of the conference. In my opinion, Mr. President, when the London conference met the time was ripe for the adoption of a policy in harmony with the Kellogg pact and that would save the world hundreds of millions of dollars annually now expended for military purposes.

Mr. President, I have a large number of clippings from newspapers in the United States and elsewhere published during and immediately following the London conference, in which the work of the conference is discusssed. These clippings deal with the question of the abolition of battleships, and substantially all declare that battleships should be abolished. In these publications the hope is expressed that the conference will reach an agreement materially reducing naval armaments. I ask that a number of these editorials and the clippings referred to be inserted in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clippings referred to are as follows:

[From the Portland (Oreg.) Journal of March 3, 1930]

GOOD NEWS FROM LONDON

Splendid news comes from the London conference with regard to battleships. A late dispatch carries the following information:

The project for a super-*Rodney* dreadnought for the United States has been virtually abandoned, the Americans having suggested other means of achieving real parity of the Anglo-American fleets, in addition to the proposal for the British scrapping five ships and the Americans three in the near future

In the first place, the London conference was called for the purpose of reducing naval vessels and curtailing costs, not for the purpose of getting additional vessels built at $50,000,000 apiece. In the second place, there is probably no point at which reductions can be made with greater safety and greater savings than in costly battleships. They cost more to build than other vessels. They cost more to operate. They cost more to maintain. They cost more to replace. And are they obsolete? A goodly number of experts say so.

An aircraft carrier undoubtedly carries greater destructive power. It can carry a fleet of nearly 100 airplanes. The planes can carry tremendous bombs of 2,000 to 4,000 pounds apiece. The firing radius of the planes is greater than that of the large naval guns and the bombs are immensely destructive. It is extremely doubtful if a battleship fleet could meet an aircraft carrier with its planes on even terms. A battleship can not catch a cruiser. It is in extreme danger from submarines and aircraft. Admiral Sims, naval leader in the late war, says that in the event of hostilities an American battleship fleet would have to seek safety up the Mississippi River.

What is more natural, then, than naval reduction should take place where the heaviest savings can be made and where it is probably safest to reduce? What is more natural than to reduce the number of vessels that may be obsolete and vessels that are the most costly to build, the most costly to maintain, and the most costly to operate?

[From the Worcester (Mass.) Post, February 26, 1930]

WHY IS REDUCTION FORGOTTEN?

President Hoover's pledge of "the greatest reduction consistent with security" seems to have been forgotten by the American delegation at the London conference. Messages to the White House are asking why reduction is forgotten and the President's pledge ignored.

Affairs of the conference, up to its recess to allow France to take out time to elect a new premier, progressed far from the spirit of the pledges made by all five nations on its opening day. Now, there is talk of a 3-power instead of a 5-power pact, one which would leave out France and Italy whose overemphasis of security has provided jarring notes. Already there is a disposition on the part of the nations to fashion excuses and to assert innocence of guilt.

Great Britain has proposed the abolition of battleships. Instead of supporting this proposal, which the other powers showed a willingness to consider, our delegation put forward a program for the United States to build immediately a superbattleship. This grotesque proposal of course pleased some of the naval experts who seem to have dominated the conference but what of the millions of Americans who are undoubtedly with the sentiment expressed by President Hoover in his Armistice Day address when he said: "No American will arise to-day and say that we wish one gun or one armed man beyond that necessary for the defense of our people. To do so would create distrust in other nations, and also would be an invitation to war."

The size of the French naval program has raised havoc with the parity arrangements between America and Great Britain. This comes about because of Great Britain's view, or at least that of its naval experts, that she needs a surface navy equal to that of both France and Italy for her security. If she has such a navy and we insisted upon parity it is clear that large-scale increases instead of reductions in armament would follow.

When the United States refused the British proposal for the abolishment of battleships it lost an opportunity for large-scale reductions. In so doing it did not live up to its pledge.

"Parity by increase of our already excessive naval appropriations would be a betrayal of the people. It would cost the United States some $840,000,000 during the next five years if the naval-building program which now threatens is carried out. It is not at all probable that the American people are going to be

satisfied with any such result so at variance with the main purpose for which the London conference was called."

[New York Times, February 4, 1930]

NAVIES NO LONGER NECESSARY, SAYS AMBASSADOR CASTLE

William R. Castle, jr., our ambassador to Japan for the period of the London conference, in his first public utterance at Tokyo, said:

"If all the naval vessels in the world were sunk, it would not endanger national security. We do not want guns to defend ourselves against our friends."

[From leading editorial in New York Times, February 14, 1930]

It is necessary, no doubt, for the admirals and the experts and the statesmen to get out pencil and paper and do an immense lot of figuring about battleships and submarines and airplane carriers and all the rest. But when they have done, there will be something to be reckoned with higher and more important than mathematical demonstrations, namely, that appeal, or demand, of the masses of men and women in all parts of the world, to which President Hoover made reference in his Armistice Day address.

NAVAL REDUCTION UPWARD

[Editorial appearing in Scripps-Howard newspapers]

The American naval proposal at the London conference is disappointing. It is not the reduction which President Hoover has demanded in public statements.

An opportunity existed. As William Philip Simms, Daily News correspondent, reported from London a week ago:

"The United States is able to obtain a show-down on naval armaments whenever it wants to by proposing a plan for the abolition of battleships as now defined. This would leave the country with a navy second to none and in a position to upbuild her merchant marine."

Instead the United States has refused to accept the British suggestion for battleship abolition, and thereby has sacrificed the only opportunity for large-scale reduction in American total naval tonnage and naval expenditures.

This puts the United States in the unenviable position of not living up to its pledge. For on Armistice Day President Hoover declared:

"We will reduce our naval strength in proportion to any other. Having said that, it only remains for the others to say how low they will go. It can not be too low for us."

Britain's willingness to wipe out battleship tonnage was "too low for us."

And as Britain will not cut her cruisers to our present strength, the only way to achieve parity is to increase American tonnage up to her partial cut—all of which seems to end any chance of the reduction which President Hoover said was necessary.

What America now proposes is for Britain to scrap 5 battleships while we scrap 3, leaving each power with 15 battleships and more money to spend on new cruisers, which are the real battleships of the future.

To build up to the figure proposed by the United States we shall have to spend about $235,000,000 for new cruisers. Instead of our present 80,000 cruiser tonnage, or 200,000 tons if ships now under construction are included, we ask at London for 327,000 tons.

Whatever may be said for or against such a proposal, it certainly is not the original Hoover plan and it is not naval reduction.

Destruction of three old battleships of doubtful value is no compensation for the huge American naval expansion proposed at the London conference.

BRISBANE CALLS BATTLESHIPS OUT OF DATE

[Arthur Brisbane, in New York American, January 18, 1930]

MacDonald, intelligent British statesman, would abandon battleship building. Our delegates to the naval conference do not want the battleship given up. But for their high character you might think they had heard the siren voice of battleship and armor-plate lobbyists.

Battleships are out of date, mere targets for airplane bombs, profitable only to their makers, costing fifty to sixty million dollars each.

Perhaps our delegates will hear from President Hoover, who is not out of date, and knows that Britain's great battle fleet played no part in the last war, primitive aircraft and submarines making it useless. What would modern planes and submarines do?

[Detroit Free Press, February 10, 1930]

The fact that Great Britain's spokesman dared to suggest the elimination of battleships indicates that the Admiralty has an eye to that remote day when navies will be reduced to police duty and wars will be fought in the air.

(Alvin C. Goddard, executive secretary World Peace Commission of the Methodist Episcopal Church, in the chain of Christian Advocates, January 30, 1930)

As the conference convenes it becomes increasingly evident that the battleship is to be its crux. The fate of the battleship apparently depends upon the attitude of the American delegation. If our delegates back President Hoover in the statement that he made on Armistice Day, the battleship is doomed. In his Armistice Day address before the American Legion President Hoover laid down the American position in the following words:

"We will reduce our naval strength in proportion to any other. Having said that, it only remains for the others to say how low they will go. It can not be too low for us."

[Newport (R. I.) News, January 25, 1930]

If, to-morrow morning, all the battleships in the world were to be taken out to sea and sunk without a trace, taxpayers would heave a vast sigh of relief and nobody would be hurt. No nation would sacrifice anything.

[Cleveland Press, January 27, 1930]

Nations need battleships only because other nations have them. If all of them were sunk, no one would be in danger and the world would probably be better off.

Mr. KING. Mr. President, there are those who insist that when the Washington conference announced that a ratio of 5–5–3: 1–8–7 should be applied to the capital ships of the United States, Great Britain, Japan, France, and Italy, that the same ratio must be extended to all categories, and that the fleets of the respective countries must be built in conformity with that ratio. There are those who seem to think that that ratio is a sacred and holy thing, that it possesses some magical or some mysterious power, and that any departure from the ratio by either of the signatories to the treaty would result in disastrous consequences. With this view I am not in accord. But if it be assumed that such ratio is to be applied by the various nations in their naval construction, it does not mean that the United States must have 20 battleships and Great Britain 20 and Japan 12, and France and Italy the number fixed by the application of the ratio. The same result would be obtained if the number of battleships was greatly reduced and the ratio retained. If the United States had 10 battleships and Great Britain 10 and Japan 7, that would sustain the same equality of strength as when the number of ships in the same ratio was much larger. There is no reason why parity may not be obtained between Great Britain and the United States and Japan if the two first named had 5 battleships each and Japan 3. It is possible that the United States might derive some advantage, even though the ratio were maintained, if the number of battleships was reduced to 5 for Great Britain and 5 for the United States. Great Britain has possessions in all parts of the world which look to her, in part at least, for protection; and the fleet of Great Britain would perhaps be relatively weaker with a lower ratio than that of the United States where the same ratio is preserved. It is contended that there are naval obligations resting upon Great Britain somewhat different because of her diversified and multitudinous holdings, which she has to protect and defend, than those of the United States, whose Navy is largely for defensive purposes.

Mr. ODDIE. Will the Senator yield to me?

Mr. KING. I yield.

Mr. ODDIE. Does the Senator from Utah think that it is not necessary that the United States protect her far-flung commerce on the seven seas?

Mr. KING. Mr. President, the Senator from Utah did not intend to make that statement.

Mr. ODDIE. Such an inference might be drawn from what the Senator from Utah said about the necessity for Great Britain maintaining a certain naval force.

Mr. KING. I said, or intended to say, that Great Britain had possessions in all parts of the world and that if we had only 5 battleships and Great Britain but 5 we would have a relative advantage over her greater than if each country possessed 15 capital ships. It occurs to me that Great Britain would suffer more from a reduction in the number of her naval craft than would the United States. If she had but five battleships she would be at a greater disadvantage in a contest with the United States, other factors remaining the same, than if her fleet were larger. The Senator from Nevada referred to our "far-flung commerce on the seven seas." It is true that our foreign commerce is extensive; in

1929 it amounted to nearly $10,000,000,000, but we have few possessions. The United States is practically self-contained and so favorably situated as to be immune from invasion or attack. It is true we have the Philippine Islands, Hawaii, Porto Rico, Guam, and a strip across the Isthmus of Panama. Perhaps I should add that we have Nicaragua, or at least we have had marines there for many years, and have had more or less to do with elections there and the control of the country. The Philippine Islands, however, will not forever be a part of the United States. From a military standpoint they are a liability rather than an asset. Mr. Roosevelt, a short time prior to his death, stated that they constituted our "Achilles heel" and, in the event of war with a naval power we would be unable to protect them. Of course it is the duty of our country to defend and protect itself and to afford protection to American citizens, and so long as other nations have navies the United States must have one. That does not mean that the United States should not take the lead to bring about limitation of armaments, with a view to ultimate disarmament, and to set up international tribunals for the settlement of international controversies.

Earlier in my remarks I referred to the discussions in the Senate as to the propriety of carrying out the 1916 naval program. In a report, which I submitted to the Senate, I insisted that the lessons of the war demonstrated the importance of submarines and airplanes and called for a revision of our policy and a modification of our program with respect to battleships.

I believed that our naval board and the Navy Department did not fully appreciate that new methods of warfare had been developed and that for the future the battleship had lost much of its importance. Believing as I did that in the condition then existing throughout the world the United States must maintain a suitable Navy, I urged that the establishment of a Bureau of Aeronautics for the development of aerial weapons of war and a Bureau of Submarines for the development of that important naval weapon. I might add parenthetically that I believed our military expenses were entirely too great and could be materially reduced if economies and greater efficiency were brought about. I also urged that a department of national defense be organized which should have control of all activities, on land and sea and in the air, connected with the protection of our country and the conduct of military operations.

One department with three assistsant secretaries, one for the Army, one for the Navy, and one for all forms of aviation, would coordinate all activities connected with the Army and Navy. One organization for our national defense would prevent overlapping and duplication, and would unify all forces necessary in war or peace for the protection of our country.

Mr. President, I have referred to the enormous appropriations annually made for the Army and Navy. I desire to point more in detail to the progressive character of these expenditures. Mr. Charles P. Howland, director of research of the council on foreign relations, in its Survey of American Foreign Relations published in 1930, submits a statistical survey of pre-war expenditures for naval and military defense and indicates the growth of fear under the stimulus of armament competition and increasing wealth to indulge it. The following appears on pages 384 and 385 of the work referred to.

Defense expenditures in dollars (millions)

	1858	1883	1908	1913	1928
Great Britain	111	140	295	385	575
United States	39	64	293	335	737
France	95	115	220	410	455
Germany	25	100	295	500	185
Italy	10	60	90	145	255
Austria-Hungary	55	65	105	120	
Russia	95	180	300	460	485

The above table shows that the great powers spent five times as much on armament in 1913 as they did in 1858. The increase in armament expenditures between 1908 and 1913 was in most cases more than 50 per cent. In those years, it is estimated that European powers spent forty-five thousand million dollars, of which thirty-eight thousand five hundred million dollars, or more than five-sixths, were spent by Great Britain, France, Germany, Italy, Austria-Hungary, and Russia.

According to Mr. Howland, the military expenses of the United States for the years 1914 to 1929, inclusive, were as follows:

Year	War Department	Navy Department	Total
1914	$194, 939, 628	$144, 982, 547	$339, 922, 173
1915	188, 476, 640	150, 357, 571	338, 834, 211
1916	189, 286, 924	153, 097, 154	342, 384, 078
1917	443, 082, 460	320, 718, 084	763, 800, 544
1918	7, 592, 813, 043	1, 606, 052, 674	9, 198, 865, 717
1919	16, 003, 818, 562	1, 793, 682, 080	17, 797, 500, 642
1920	876, 464, 936	910, 560, 128	1, 787, 025, 064
1921	494, 974, 977	453, 578, 251	948, 553, 228
1922	459, 080, 356	489, 651, 232	948, 731, 588
1923	359, 591, 500	300, 513, 661	660, 105, 161
1924	355, 210, 518	325, 322, 863	680, 533, 381
1925	341, 339, 807	278, 600, 933	619, 940, 740
1926	364, 624, 851	324, 752, 032	689, 376, 883
1927	367, 385, 646	325, 790, 513	693, 176, 159
1928	370, 420, 310	320, 465, 998	690, 886, 308
1929	466, 795, 331	394, 730, 344	861, 525, 675

I have figures indicating that in 1928 the naval expenditures exceeded $344,000,000. In 1930 my information is that they amounted to more than $382,000,000, and for the fiscal year 1931 my information is that they will exceed that amount.

It will be observed from the foregoing figures that in 1929 the United States expended more for the War and Navy Departments than any other country in the world. It seems incredible that this Nation, menaced by none, powerful and unafraid, should expend more for military purposes than any other Nation.

Mr. President, I call attention to a statement by the Secretary of the Treasury in 1927, and it could be repeated with emphasis for each succeeding year:

> The Federal tax burden of one generation is largely determined by the military activities of the preceding one.

The report referred to presents a graph entitled, "How Your Tax Dollar Goes." It shows that 82 per cent are expended for wars, past and future. For the year 1917 the report shows the fiscal distribution of Federal expenditures to be as follows:

	Per cent
For military functions	31.8
Interest on public debt	21.1
Statutory retirements	13.8
Other retirements	16.2

For all of the ordinary civilian functions of the Government 17.1 per cent were required. Among the ordinary civilian functions were public-domain works and industrial development and regulation, internal security, and so forth.

It is contended by many that the interest and retirement of the public debt should not be included among war expenditures. However, substantially all of the public debt was incurred for past wars and for military operations, and accordingly the Treasury Department has consistently so classified it.

Secretary Mellon in his report for 1925 stated that 82 per cent of the Federal expenditures resulted from war and that—

> This will be the inevitable situation as long as war is the method of settling international disputes.

Mr. Mellon further states:

> When the average citizen grumbles over the size of his income-tax payment he often visualizes his hard-earned money being spent by the Government to compile reports on business or agricultural conditions, or to erect public buildings, send diplomats abroad, carry on scientific investigations, or make and enforce laws. As a matter of fact, a small part of the taxpayer's dollar goes into work of this sort, only about one-sixth being used for all the multitudinous types of ordinary civil functions added together. One-half of each tax dollar is used for the service of the public debt. * * * The remaining one-third of the taxpayer's dollar is spent on military expenditures for national defense or payments to military veterans.

According to Secretary Mellon, expenditures for interest on the public debt for 1927 exceeded by over $140,000,000 all of the ordinary civilian expenditures of the Government, and military expenditures were nearly twice the civilian expenditures and exceeded the amounts of all retirements of public debt by approximately $70,000,000.

According to the figures presented by Congressman FRENCH in January, 1930, the cost of the Navy of the United States for the preceding fiscal years was more than $374,000,000. The naval expenses of the British Empire were but $278,000,000. Japan's naval budget was $131,000,000. The navy of France cost her $99,000,000, and Germany expended approximately $63,000,000. It appears, therefore, that the United States is expending upon its Navy more than any other nation in the world. In the same article prepared by Congressman FRENCH, the statement is made that the United States has 93,323 men in its naval service. The British Empire has 89,000 men; Japan, 81,595; France, 60,834; and Italy, 45,397.

Mr. President, our military burdens are entirely too great, and the world is being crushed by the heavy weight of taxation, a very considerable portion of which is expended for the maintenance of armies and navies. We spent between the years 1884 and 1920 more than $6,000,000,000 for our Navy. The cost of naval vessels is constantly increasing; and if there shall be competitive naval armament it is obvious that heavier burdens will be laid upon the people. Mr. Bywater states that since 1920 the cost of battleships has increased between five and six fold. Submarines which cost £80,000 in 1914 cost £400,000 in 1927.

The United States aircraft carriers *Lexington* and *Saratoga* cost approximately $50,000,000 each and it is quite likely that the cost of similar vessels would be greater now than at the time of their construction. The battleship *South Carolina*, built in 1910, when completed cost but $6,000,000, the *Indiana* but three million. Twenty-seven battleships built between 1895 and 1908 cost $139,000,000; but, as I have indicated, battleships such as we now have in our Navy will cost at least $50,000,000 each.

Mr. President, war not only destroys human lives but it entails burdens upon nations from which escape is impossible. These burdens are impediments to progress and constitute obstacles to international peace. As illustrating the progressive cost of war, it is said that all the wars of the world, from 1793 to 1860, cost but nine and a quarter billion dollars, but those between 1861 and 1910 cost $14,000,000,000. The direct financial charges of the World War may not be fully determined, but undoubtedly they exceeded $200,000,000,000. Our Revolutionary War cost but $170,000,000. For the Civil War the United States appropriated $3,478,000,000. How insignificant are these sums measured by the exactions of the World War!

Mr. President, the costs to the United States of the World War, according to the annual report of the Secretary of the Treasury for 1930, were approximately $38,000,000,000; but in my opinion the direct and indirect appropriations which will be made by our Government occasioned by the World War will greatly exceed this stupendous sum. In my opinion the cost of the World War to the people of the United States will exceed $100,000,000,000.

The financial burdens of war will condemn nations to a condition of servitude for many years to come. But the financial burdens, heavy though they may be, are unimportant measured by the misery and suffering brought to the world, and the millions of lives lost upon land and sea. With this tragic situation presented, it would seem that rational human beings would devise a feasible plan to prevent a recurrence of these tragedies that like an awful pestilence have decimated the world. If the leaders of public thought and the people would devote but a tithe of the time expended in talking of war, and but a fraction of the enormous sums expended in preparation for war, in spreading the gospel of peace and good will, can any one doubt what the result would be?

During this session of Congress much of our time has been devoted to a discussion of military affairs and to the preparation of measures calling for appropriations approximating $800,000,000 for our Army and Navy and for the building of war vessels and the manufacture of munitions of war. We have said but little about world peace and have done but little toward promoting world concord. We are now asked to vote $30,000,000 for the modernization of three battleships. Three battleships upon which we have recently expended $11,000,000 for major alterations have been or soon will be scrapped, and it is obvious that the three battleships which it is desired to "modernize" and for which the $30,000,000 are demanded will soon be obsolescent and ready for the scrap heap.

It would seem that the administration which is demanding these enormous military appropriations for the next fiscal year is discrediting in advance the disarmament conference which is to be held in 1935.

There are those who perhaps are cynically inclined who assert that we have no confidence in the Kellogg-Briand pact, and therefore having solemnly renounced war we proceed to expend hundreds of millions in preparation for war. Certainly we anticipate no conflict with nations upon the Western Hemisphere. Aside from Great Britain, European nations possess no naval strength comparable to that possessed by the United States. Even the most chauvinistic American concedes no possible conflict with France or Italy. The navies of those countries are small, measured by that of the United States. Neither France nor Italy has availed itself of the treaty right to build additional battleships to attain the ratio provided in the Washington conference treaty.

Russia has no navy. Germany is disarmed and possesses no naval strength. Japan seeks peace. She has no ambitions hostile to the United States or policies antagonistic to those of this Republic. Her naval policy is directed toward the defense of the Japanese islands and the protection of Japanese communications with Korea and Manchuria. She derives much of her food and raw materials from the mainland of Asia, and if the control of the China Sea should pass to another power it would be as serious menace to Japan as would be the control of the English Channel and the North Sea by a powerful foe to Great Britain. Great Britain's problem is largely the protection of trade routes and communications. Her insular position and her dependence upon the products of other lands for food and raw materials prompt the adoption of a naval policy which gives her control of the North Sea and the English Channel. The British have little or no apprehension of naval encounters in the broad Atlantic; and, if I understand the naval policy of Great Britain, it is not based upon an anticipated conflict with the United States.

Our naval problem is coast defense and, of course, the protection of the Panama Canal, Porto Rico, Hawaii, and the Philippine Archipelago. Under the terms of the Washington treaty we are prevented from further fortifying the Philippines; and it is certain that within a very few years the Filipinos will establish a republic.

This Republic is impregnable against assaults from any source. Neither by land or sea is it vulnerable. It is in a position, therefore, to point the way to international disarmament.

I concede that there is still a struggle between the security view and the disarmament view, but the important task is to reconcile those nations which desire security to a policy of disarmament. The security commission appointed by the League of Nations in 1927 is seeking to formulate a plan which will afford suitable guaranties of security to all States and pave the way for the reduction of armaments to the lowest possible level and within a limited period bring about world disarmament. To the accomplishment of this end this Nation should make important contributions. The 4-power treaty to which the United States, Japan, and Great Britain are parties provides ample assurance for peace in the Pacific and gives assurance of continued amicable relations between the United States and Japan. It provides for consultation between the signatories to the treaty and contains effective provisions for the peaceful settlement of con-

troversies arising in the Pacific. Both the United States and Japan desire a continuation of the cordial relations now existing between them. There is nothing to justify any fear of war between this Republic and Japan.

Mr. ODDIE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nevada?

Mr. KING. I have only a few moments remaining and desire to yield the floor as soon as possible.

The PRESIDENT pro tempore. The Senator from Utah declines to yield.

Mr. ODDIE. I merely want to ask the Senator a brief question.

Mr. KING. Very well, I yield.

Mr. ODDIE. I ask the Senator, why it is, then, that Japan is building naval vessels so much more rapidly than we are building them, and is now building so many more than we are building, and has been doing so for a number of years past? I deprecate war as much as the Senator from Utah, but I should like to know the reason for that activity.

Mr. KING. I do not concede the premises stated by the Senator. We are expending far more for military and naval purposes than is Japan. It is true she is constructing a number of naval vessels, but her expenditures for naval purposes are very much less than those of the United States. I am inclined to think, however, that Japan is not entirely free from apprehension by reason of the rather belligerent attitude of the Bolshevik Government. The attitude of the soviet régime toward Manchuria and China, with Japan in the offing, may occasion, in fact I think it does, some misgivings upon the part of Japan. There are some evidences that the Bolshevik régime seeks to annex Mongolia and Manchuria, and it can not be denied that Moscow has sought and still seeks the overthrow of any Chinese government that is not under the control of Russia. But conceding that Japan is building naval craft, I think it can be said that our naval budget is not encouraging Japan or other nations to seek speedy disarmament. As I have stated, our appropriations for military purposes for the next fiscal year will exceed $800,000,000. Japan's military budget is less than one-half of that stupendous sum. It must be remembered that Japan's situation is vastly different from that of the United States. As I have heretofore stated, she depends upon the mainland for food and for raw materials; indeed, her existence is involved in the maintenance of the open sea and access to the Asiatic mainland. With an unfriendly soviet power and 400,000,000 Chinese at her door, she occupies a position that justifies a prudent course calculated to insure protection.

Mr. President, Italy and France will adjust their naval controversy, and will join with the United States, Great Britain, and Japan in preparing for the 1935 conference. Between now and the meeting of that conference the United States should take the lead in preparing, not only naval powers, but the people of the world, to make effective the Kellogg-Briand pact, and to convince the world that its renunciation of war as a national policy and its pledge to settle all international disputes by pacific means, is sincere and will be respected. That conference will be a momentous event. It is to be hoped it will result in the adoption of measures that will reassure nations and provide effective measures for world disarmament. The United States more than any nation will determine the result of the conference referred to. It can give evidence between now and then of its confidence in the result of that important gathering. If the present bill shall be defeated it is certain it will result in favorable reactions for peace and limitation of armament throughout the entire world.

Mr. HALE. Mr. President, the Senator from Virginia [Mr. SWANSON], has already explained the purpose of the bill. I desire to add simply a word to what he has said.

At the time of the Washington conference we had under construction a large number of battleships and battle cruisers. That conference was held to see what could be done about cutting down the naval armaments of the principal countries of the world possessing navies. An agreement was finally reached whereby, in 1942, we should have exact parity in tonnage and number of ships with Great Britain, and should be on a ratio of 5 to 3 with Japan.

Pending that time, a certain number of our capital ships were allotted to us, and a certain number of the British ships to them, and a certain number of the Japanese ships to that nation, with the general understanding that these allotments should represent parity as nearly as it could be gotten between ourselves and Great Britain, and a ratio of 5 to 3 with Japan.

In the Washington treaty it was provided that Great Britain should be allowed to lay down two new ships which were not then in process of construction, and when these should come into commission she was to scrap four of the ships allowed her under the treaty. The treaty allowed us 18 battleships, allowed Great Britain 18 battleships and 4 battle cruisers, with a considerably larger tonnage than ours, and allowed Japan 6 battleships and 4 battle cruisers. As I have said, the intention was to give us a force that would be equal to that of Great Britain and would be on the basis of 5 to 3 with Japan. We were familiar with their ships and they were familiar with ours, and the ships that were finally determined on represented what our delegates and our naval authorities considered parity with Great Britain.

After the *Rodney* and the *Nelson* came into commission, it became evident that we had not prospered under the treaty, that the British had a capital-ship force which was to a considerable extent more powerful than ours. In the terms of the treaty there was a provision that to take care of aircraft and underseas protection, each of the countries taking part in the treaty might add 3,000 tons to the tonnage of any battleship or battle cruiser that was in its complement.

Under this provision in the Washington treaty we started to modernize our battleships. We modernized the oldest six first. The modernization included putting blisters on the sides of the ships which would make the ships more buoyant and thereby take care of the 3,000 tons or whatever part of it was to be added to the tonnage of the ship. These blisters in themselves provided compartments which protected the ship against attack from submarines. They provided a buoyancy which would enable the ship to carry additional deck armor for protection against the air, and these matters were taken care of in the modernization of the first six battleships. We did not, however, elevate the guns of these first ships. We provided for deck protection and blisters and certain fire-control changes, but, as I say, did not elevate the guns.

Then, when it came to the *Oklahoma* and the *Nevada,* we provided for the elevation of the guns, in addition to what we had done on the older ships, and made further fire-control improvements.

When the *Pennsylvania* and the *Arizona* came along, we added still further improvements. We were getting larger ships each time to fix over, and the expenses of making the alterations grew as we went along. The first ships cost about $3,100,000 apiece to modernize, the second ships about $6,800,000 apiece, and the third lot—the *Pennsylvania* and the *Arizona*—about $7,400,000 apiece.

There is nothing new about this proposition to modernize ships. We have already modernized 10, and what we are doing with these ships is exactly in line with what we have been doing since the Washington treaty, and what we would do now if we did not have the London treaty. It is necessary, if we are going to bring these ships up so that they can take care of themselves in combat, that these improvements be placed upon the ships.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Tennessee?

Mr. HALE. I do.

Mr. McKELLAR. When we expend this $30,000,000, and when these ships are modernized, will they be able to shoot as far as the British ships?

Mr. HALE. Oh, yes, Mr. President. These ships, when modernized, will have an elevation of the guns which will

give them practically the extreme range of the British ships. There is no trouble in that respect.

Mr. McKELLAR. But until they are modernized they will fall far short of shooting as far as the British ships?

Mr. HALE. Until they are modernized they will have a range of about 5 miles less than the highest range of the British ships. As I have said before, the improvements on these ships will cost more than those on the *Pennsylvania* and the *Arizona* and the *Oklahoma* and the *Nevada*, and in each case we are bringing them into a little better condition than the ships which were earlier modernized.

Mr. McKELLAR. Mr. President, will the Senator suffer another interruption?

The PRESIDING OFFICER. Does the Senator from Maine further yield to the Senator from Tennessee?

Mr. HALE. Yes.

Mr. McKELLAR. How old are these three ships, and how long will they last after they are modernized? Will they be obsolete?

Mr. HALE. The life of a battleship is considered to be about 20 years. Of course the hull will last for 30 or 40 years. The engines of a ship will last about 15 years. These ships are now about 13, 12, and 11 years old, respectively.

Mr. McKELLAR. How long will it take to modernize them?

Mr. HALE. Their engines have not yet entirely worn out, but they will wear out within two or three years; and it is thought, when the ships are being modernized at the present time, that new engines should be put in, so that within a year or two they will not have to be brought back and stripped and reengined. That is a measure of economy.

Mr. McKELLAR. How long will they last after they are modernized?

Mr. HALE. I should think the ships probably would last another 15 years after they are modernized.

Mr. McKELLAR. And how long will it take to modernize them?

Mr. HALE. It will take about 21 months to modernize these ships.

Mr. McKELLAR. About 21 months?

Mr. HALE. Yes.

Mr. McKELLAR. And then does the Senator think they will last about 15 years after that time, before they become obsolete?

Mr. HALE. They will last at least 15 years after that time.

Mr. McKELLAR. While I am on my feet, I should like to ask the Senator another question. Have we dismantled or sunk the surplus ships that we agreed to dismantle or sink under the terms of the London treaty?

Mr. HALE. No. Under the terms of the London treaty we have a considerable time in which to do it.

Mr. McKELLAR. It has not been done yet?

Mr. HALE. I do not think they have actually been dismantled, but they have been brought in to be dismantled.

Mr. McKELLAR. I saw a statement in the paper that they had been dismantled.

Mr. HALE. I may be mistaken about that; but my impression is that the work has not been done yet.

Mr. McKELLAR. Is the Senator informed as to whether Great Britain or Japan have dismantled any of the ships that they agreed to dismantle under the terms of the London treaty?

Mr. HALE. The Senator can be sure that any country that has signed the treaty will comply with the terms of the treaty and will surely do it within the time provided by the terms of the treaty.

Mr. McKELLAR. I was just wondering whether it had been done or not.

Mr. HALE. I can not give the Senator that information.

Mr. McKELLAR. I saw by the paper that the United States had done it, but there was no statement that the other nations had done it.

Mr. HALE. I think there is no question, so far as national honor is concerned, of all nations living up to the terms of the treaty.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Utah?

Mr. HALE. I do.

Mr. KING. One of the ships that was to be dismantled was the ship *Utah*, and I know that ship has not been dismantled yet. It was one of the last to be dismantled.

Mr. HALE. No; I do not think the work has been done as yet, but it will be done.

Mr. KING. I have been trying to secure the silver service of that ship in order to restore it to the State.

Mr. HALE. Despite the efforts of the opponents of the battleship to decry the usefulness of this type of vessel, the battleship is still the backbone of the United States Navy, and it is the backbone of the British Navy and the backbone of the Japanese Navy. As the Senator from Pennsylvania has well said, countries that have no battleships are anxious to give up their use, but countries that have battleships have no such feeling.

The statement has been made that now that aviation has developed, the battleship becomes obsolete. On the contrary, Mr. President, aviation has nearly doubled the shooting range, the firing range, of the battleship, and has made it an infinitely more valuable ship on that account. Whatever may be said about the power of airplanes through their bombs sinking battleships, this can not be done when the battleship has proper aircraft protection.

Airplane protection is the best protection that can be had against other planes; and, in addition to this airplane protection, antiaircraft guns have been very greatly developed in the Navy. It is the plan, whenever we send battleships out, without any question, to have them accompanied by carriers, so that there will be plenty of planes on hand to work with them; and, as I have said before, with the aid that they get in airplane spotting their gunnery is doubled in value.

Mr. McKELLAR. Mr. President, will the Senator yield again?

Mr. HALE. I will ask the Senator to wait one second. We are greatly hampered as a country because we have practically no outlying naval bases. Battleships are absolutely necessary when we send out any expeditionary force in time of war. We must provide our own bases, and those bases must be protected by the powerful guns of the battleships. The battleship is absolutely necessary for that purpose. We, more than any other country, need battleships.

Mr. McKELLAR and Mr. BROOKHART addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maine yield; and if so, to whom?

Mr. HALE. I yield first to the Senator from Tennessee.

Mr. McKELLAR. I know the Senator from Maine is very expert in all these matters——

Mr. HALE. That I do not claim.

Mr. McKELLAR. The junior Senator from Utah raised a very interesting question a few moments ago. We know that the battleship *Utah* is one of those to be destroyed, or dismantled, or sunk. It seems that ship has a silver service given by the State of Utah, and part of the equipment of the ship. When it comes to sinking the *Utah* will the silver service have to be sunk also? Can the Senator state as to that?

Mr. HALE. I can assure the Senator that it will not.

Mr. McKELLAR. I am glad to know we are to save the silver service of the battleship *Utah*.

Mr. BROOKHART. Mr. President, will the Senator from Maine yield?

Mr. HALE. I yield.

Mr. BROOKHART. If we got into a war, where would we send the battleships?

Mr. HALE. I will say now that I would not send them up any river, as was suggested by the Senator.

Mr. BROOKHART. That would be the only safe place for them.

Mr. HALE. That may be the opinion of the Senator. It is not the opinion of the naval experts of the world.

Mr. BROOKHART. Could they be used in such a war?

Mr. HALE. Of course they could.

Mr. BROOKHART. Where would we dare send them?

Mr. HALE. We would send them out wherever the fleet went.

Mr. BROOKHART. Where would that be?

Mr. HALE. Mr. President, I am not drawing the plans for a war.

Mr. BROOKHART. Nobody else will ever draw a plan under which we would send a fleet out, either.

Mr. HALE. Mr. President, the Senator from Pennsylvania wants to say a few words on the question, and therefore I am glad to yield the floor.

Mr. ODDIE. Mr. President, I would like to have printed in the RECORD a very interesting article by Commander Holloway H. Frost, of the United States Navy.

The VICE PRESIDENT. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

BATTLESHIPS AND UNEMPLOYMENT

By Commander Holloway H. Frost, U. S. Navy

[This is the last of a series of four articles]

The Battle of Jutland taught many lessons in ship design. The British hastened to increase the defensive strength of their battle cruisers against long-range shell fire by the thickening of their horizontal armor. The narrow escape of the *Marlborough*, which was hit by a single torpedo, confirmed the underwater weaknesses of the British battleships—already indicated by the sinking of the *Audacious* by a mine. To the ships already built they attached what was virtually another underwater hull—called bulges or blisters. In vessels built after Jutland increased emphasis was given to both armor and underwater protection. They considered this new construction so greatly improved that there was a disposition for a time to consider it in an entirely distinct category—post-Jutland ships.

After Jutland a new menace to the capital ship made its appearance, the airplane with its bombs. These bombs might either penetrate the decks and horizontal armor and explode in the ship's vitals or it might detonate in the water close to the hull, thus causing leaks and possibly throwing out of line the propeller shafts and rudder. These threats made necessary a further thickening of the horizontal armor, an additional strengthening of the underwater hull and the installation of a battery of antiaircraft guns. The use of airplanes for observing naval gunfire increased greatly the distance at which it could be made effective. This caused a desire to elevate the turret guns to a greater angle so that they could fire at increased ranges.

To allow for these necessary modifications in capital ships the Washington treaty permitted the addition of 3,000 tons to each ship. The British have modernized all the 15 ships allowed by the London treaty except the *Barham*. Of our 15 battleships 7 have been modernized. The Navy Department has announced its desire to modernize the next three—*Mississippi*, *New Mexico*, and *Idaho*. These vessels were laid down in 1915. Thus they are pre-Jutland ships. Their modernization will bring us close to parity with the British in capital ships. It is essential that it be commenced at an early date.

Our remaining battleships—five in number—were laid down between 1916 and 1919. While these vessels have considerably more defensive strength than their predecessors, the modernization of two, and probably five, will ultimately prove necessary. This will permit us to equalize the advantage which the *Rodney* and *Nelson* now give the British. It will also further an agreement increasing the life of battleships to 25 or even 30 years with resultant great economy.

The building of naval vessels is an important remedy for the unemployment situation. Into naval construction go every kind of material and workmanship. It involves every industry and every section of the country. For example, take the new 10,000-ton cruisers, Nos. 32, 34, and 36. These ships are being built in the Government navy yards at New York, Philadelphia, and Puget Sound. The construction of these vessels gives steady employment to a large number of workingmen over a period of three or four years. In addition to the men employed on the ships themselves in the above three navy yards, much of the equipment with which they are supplied and the material from which they are fabricated provide employment for workmen in other sections of the country.

Much of the equipment comes from other navy yards. For instance:

Guns: Navy yard, Washington, D. C.
Torpedoes: Torpedo station, Newport, R. I.
Anchor chains and cordage: Navy yard, Boston, Mass.
Boats and metal furniture: Navy yard, Norfolk, Va.

The rest of the equipment and all of the material used in the fabrication of the ships is obtained from private contractors. I have before me a list showing the more important contracts. It is far too long to include here, but it may be of interest to list the States from which the more important items are furnished. Here are a few:

Steel: Pennsylvania, Maryland, Delaware, New York, West Virginia.
Rivets: Ohio, Illinois, Pennsylvania.
Wood: Massachusetts, Oregon.
Main engines: Pennsylvania.
Boilers: Ohio, New Jersey.
Motors: New Jersey.
Optical equipment: New York, New Jersey.
Compasses: New York, Massachusetts.
Powder tanks: New Jersey, Pennsylvania.
Wire: New Jersey, New York, Illinois.
Searchlights: New York.
Electrical equipment for fire control: New York.
Telephones: Illinois.

This list includes only the main factory of each contractor. In some cases they have factories in 12 States, and may have distributed their work among all of them. In addition to the States already listed, the following may therefore be added as probable beneficiaries of the shipbuilding program: Tennessee, Michigan, Connecticut, Kentucky, Indiana, Alabama, California, and Missouri.

If we carry this study a step farther we will see that the raw material for the various manufactured articles provided by the contractors come from still other States. And to bring the raw material to the contractors the railroads and shipping of even other States are required. To mention only one example, iron ore must be mined in Minnesota or Wisconsin and carried by Great Lakes steamers to the Eastern States to be made into steel. Thus, directly or indirectly, the construction of naval vessels provides employment for workmen of every trade and every section of the country.

Mr. REED. Mr. President, we have something less than 15 minutes before the vote is to be taken, and I want to say a few words about the necessity for passing the pending bill. I can not resist the temptation, however, of replying to some of the things which have been said by our friends on this side and on the other side of the aisle about battleships being antiquated.

Ever since wars began men have learned something from the developments of each war, and every war is followed by the declaration of a group of more or less uninformed prophets that the last war has changed everything. But two principles stand out, and they have stood out from the days of Julius Cæsar down to the days of John J. Pershing; that is, that on land the infantryman is the all-important element and that every other arm of the service is there to help him, and that on the sea it is the trireme or its successor, the battleship, which in the last analysis represents the greatest striking power and the greatest power to take punishment, and is therefore the backbone of the Navy.

We have heard a lot of talk, some of it very sensational, by modernists, who say that aviation has made the battleship obsolete, and it has been told us about how a battleship can be sunk by an airplane and its bombs. The only proof offered us in support of that statement is the experience we had seven or eight years ago in attacking some of the surrendered German fleet by squadrons of bombing planes. Those planes flew at an altitude of about 3,000 feet. If there had been any kind of antiaircraft work on the ships being attacked, not one of those planes would have come near its target. At that altitude they would certainly have been destroyed. If there had been any combat aviation basing on the attacked fleet and protecting the attacked fleet, those bombing planes never would have lived to get through.

I was told yesterday of a naval officer who was asked the old question, whether battleships could survive when attacked by airplanes, and he replied, "It is just like my ability to sink a battleship. I can sink a battle with a hammer if you will let me alone long enough." So it is with airplanes. Of course, they can sink battleships if they are let alone long enough, and one infantryman can destroy an army if he is let alone long enough; but in war he is not going to be let alone.

As I said before, the ability of the battleship to repel all such attacks by airplanes, first, with its antiaircraft fire, and next with its own planes, which it carries, is going to protect the battleships for many a long year in the future, as well as the carriers which take planes with the fleet, and which are quite well able to fight off most attacking squadrons of planes.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. REED. I yield for a question. I have not very long.

Mr. BROOKHART. I agree with the Senator's statement about the infantry; but was not the experience of the last

war an argument against the battleship? Did not the battleships go hide and stay hidden nearly all the time?

Mr. REED. They most emphatically did not, and I will say to the Senator that if it had not been for the British Battle Fleet, reinforced as it was later by the American Battle Fleet, we would be paying tribute to Germany to-day instead of to the farmers of Iowa.

Mr. BROOKHART. You are not paying much to the farmers of Iowa.

Mr. REED. It was those battleships which stood sentry there at Scapa Flow, which prevented Germany from getting the supplies and maintaining the commerce which might have enabled her to win the war. It was primarily the British Battle Fleet, which stood there for three years, silently, doing sentry duty, at Scapa Flow, that cooped Germany up and ultimately cost her the war.

The battleships won the last war. Talk about the Battle of Jutland. The moment the British Battle Fleet, the Grand Fleet, came on the scene, the German fleet turned tail and ran for home just as hard as they could run. Germany scored her successes off the British battle cruisers, which were too recklessly thrown into the action at the beginning; but when the Grand Fleet came the battle was over.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. REED. I do not yield for a moment. I have too little time. I have sat and listened for four or five hours to the other side of this question, and I want to express a few sentiments which are bubbling up too strongly to be held in.

It was the battleships which won the Battle of Jutland. It was the battleships which kept Germany cooped up for all those long years of the war. Without the battleships the Battle of Jutland would not have been won by the British and Germany would not have been cooped up.

The Senator asked where we are going to fight with our battleships in another war. There never has been a time in my life when our relations with Great Britain and with Japan were as good as they are at this minute, and I think it is highly unlikely that we are going to see in our lifetime any war against either of those nations. The amicable intentions of all three of us were evidenced beyond a shadow of a doubt by the concessions all of us made at the London conference. But the rest of the world is not as amicable. We have heard too much sword rattling from other countries to believe that we can depend upon their amicable intentions toward us if we are disarmed and ineffective in war.

One has only to go to the Continent of Europe to discover how intense is the envy and the spite against the United States. I should be sorry to see the time come when, in reliance on the Kellogg treaty, or the League of Nations, or the golden rule, or anything else, the United States would become impotent to defend her own rights on the sea and on the land.

In the London conference all nations joined to reduce the number of their battleships. Great Britain destroys five of hers, Japan destroys a very fine battle cruiser, and we agree to reduce our fleet by three. Great Britain has remaining 15 battleships. Every one of them was either modern in construction at the time of the conference, like the *Rodney* and the *Nelson*, or has been modernized in the way we are seeking to modernize the three ships of our fleet under consideration.

The only exception, when we met last year in London, were the *Valiant*, which was then being modernized, and the *Barham*, Great Britain's last battleship, which was slated to be modernized as soon as the modernizing of the *Valiant* was completed.

What we propose to do under this bill with our fleet is only what Great Britain has been doing with her fleet, bringing it up to the highest state of efficiency with the reduced number of units the treaty permits.

Japan has done the same thing. The details of her modernization program have not been given to me as has been done in the case of Great Britain. I know that some of her ships have been modernized and that some of them were modern in construction at the time of the conference. They were post-Jutland ships, built with blisters and with sufficient thickness of deck armor and with sufficient elevation of guns. They do not need any modernization now.

What we are seeking to do is what both Great Britain and Japan are doing with the few units of the battleship fleet the treaty allows to remain to them. It is the intelligent thing to do. It will give us three modern ships at a cost of $30,000,000 instead of having to build three brand new ones at a cost of $40,000,000 apiece. We will get our money's worth.

Mr. President, we hear talk about food relief and unemployment. Think how much better it is to be giving $30,000,000 worth of employment to American workmen in all the multitude of industries which contribute to the work on these battleships, as well as in the navy yards themselves, than to be handing out doles to people and not giving them anything to work at. In this way the relief we give is given to self-respecting men, who work for what they get. Under the other plan it is a mere hand-out, and as between the two, the average American I know would rather get his $5 a day working for it, and giving $5 worth of consideration for it, than to get it without doing anything except whine for the relief.

Mr. President, this is not a militaristic step we are taking. It is no more militaristic than keeping our rifles oiled and clean. The argument against it could just about as well be made in favor of allowing our ordnance, our field guns, and our rifles to become rusty and out of date. This is just the ordinary upkeep which intelligently we should bring about in order to keep our Navy at its maximum efficiency. It is not an expansion; it is not the addition of any new ships; it is merely having the 15 battleships which the London treaty allows us, and having them with a maximum striking power. The keeping of the American Navy in that condition of preparedness, it seems to me, in the present state of affairs in this tumultuous world, is one of the best contributions we can make for the preservation of civilization on this globe.

Mr. FESS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FESS. Is the vote on reconsideration?

The VICE PRESIDENT. The request for reconsideration was agreed to by unanimous consent. The vote will be upon the passage of the bill.

Mr. REED. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McKELLAR (when his name was called). On this vote I have a pair with the senior Senator from Wisconsin [Mr. LA FOLLETTE], who is necessarily absent. I transfer that pair to the senior Senator from Louisiana [Mr. RANSDELL] and vote "yea." If the senior Senator from Wisconsin [Mr. LA FOLLETTE] were present, he would vote "nay."

The roll call was concluded.

Mr. BARKLEY. On this vote I have a pair with the Senator from South Dakota [Mr. NORBECK]. Not knowing how he would vote, I withhold my vote.

Mr. PHIPPS. My colleague the junior Senator from Colorado [Mr. WATERMAN] is necessarily absent. He is paired with the Senator from Georgia [Mr. GEORGE]. If my colleague were present, he would vote "yea."

Mr. SHEPPARD. I desire to announce that the junior Senator from Arkansas [Mr. CARAWAY] is detained on official business. He has a general pair with the Senator from Oklahoma [Mr. PINE].

The result was announced—yeas 72, nays 13, as follows:

YEAS—72

Ashurst	Deneen	Hastings	McNary
Bingham	Dill	Hatfield	Metcalf
Bratton	Fess	Hawes	Morrison
Brock	Fletcher	Hayden	Morrow
Bulkley	Gillett	Hebert	Moses
Capper	Glass	Howell	Oddie
Carey	Glenn	Johnson	Partridge
Connally	Goff	Jones	Patterson
Copeland	Goldsborough	Kean	Phipps
Couzens	Gould	Kendrick	Pittman
Cutting	Hale	Keyes	Reed
Dale	Harris	McGill	Robinson, Ark.
Davis	Harrison	McKellar	Robinson, Ind.

Schall	Smith	Townsend	Walcott
Sheppard	Smoot	Trammell	Walsh, Mass.
Shipstead	Steck	Tydings	Walsh, Mont.
Shortridge	Steiwer	Vandenberg	Watson
Simmons	Swanson	Wagner	Williamson

NAYS—13

Black	Frazier	Norris	Thomas, Okla.
Blaine	Heflin	Nye	
Borah	King	Stephens	
Brookhart	McMaster	Thomas, Idaho	

NOT VOTING—11

Barkley	Caraway	Norbeck	Waterman
Blease	George	Pine	Wheeler
Broussard	La Follette	Ransdell	

So the bill was passed.

INTERIOR DEPARTMENT APPROPRIATIONS

Mr. SMOOT. Mr. President, I know of no other amendment to be offered to the Interior Department appropriation bill.

The VICE PRESIDENT. The Chair feels that he should call the attention of Senators to the unanimous-consent agreement in reference to the consideration of the nomination of Eugene Meyer to be a member of the Federal Reserve Board.

Mr. SMOOT. Mr. President, I ask unanimous consent that the unanimous-consent agreement to take up the nomination of Mr. Meyer be postponed until after the final vote on the Interior Department appropriation bill, and I ask that the Interior Department appropriation bill be now laid before the Senate.

The VICE PRESIDENT. Is there objection?

Mr. BRATTON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BRATTON. If that request is granted, will the matter of the Meyer nomination come before the Senate immediately after the final vote on the Interior Department appropriation bill?

The VICE PRESIDENT. That is the opinion of the Chair.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KING. There is a motion pending to reconsider the so-called deportation bill. That motion was filed some time ago. I had given notice that it would be called up on the conclusion of the consideration of the maternity bill, but the Interior Department appropriation bill intruded itself and I was unable to have the matter taken up. I want to give notice now that as soon as the appropriation bill is out of the way I desire to bring that matter to the attention of the Senate.

The VICE PRESIDENT. There is a unanimous-consent agreement in reference to the Meyer nomination, which, in the opinion of the Chair, would take precedence except by unanimous consent.

Mr. KING. We might take up now the motion to reconsider the deportation bill. However, I shall not ask to displace the Interior Department appropriation bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Utah?

Mr. BROOKHART. Mr. President, may the request be stated? It was impossible to hear it, as stated by the Senator from Utah.

The VICE PRESIDENT. Will the Senator from Utah restate his request?

Mr. SMOOT. I ask unanimous consent that the unanimous-consent agreement entered into with reference to consideration of the nomination of Eugene Meyer to be a member of the Federal Reserve Board be postponed and taken up immediately following the passage of the Interior Department appropriation bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The Senate resumed consideration of the bill (H. R. 14675) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1932, and for other purposes.

Mr. SMOOT. Mr. President, the committee amendments have all been agreed to. I think the Senator from Arkansas [Mr. ROBINSON] has one amendment to offer and then the Senator from Oklahoma [Mr. THOMAS] has one or two amendments to offer.

Mr. KING. Mr. President, may I say to my colleague that I have a number of amendments to offer.

Mr. ROBINSON of Arkansas. Mr. President, in behalf of the Senator from Alabama [Mr. BLACK] and myself I offer the amendment which I send to the clerk's desk, and ask that it be reported.

The VICE PRESIDENT. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. The Senator from Arkansas, in behalf of himself and the junior Senator from Alabama [Mr. BLACK], offers the following amendment:

Insert at the proper place, which will be on page 122, after line 15, the following:

"There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $25,000,000 (in addition to such sums as may be or may become available through voluntary contributions), to be immediately available and to be expended by the American National Red Cross for the purpose of supplying food to persons otherwise unable to procure the same."

The VICE PRESIDENT. The question is on the amendment of the Senator from Arkansas.

Mr. BARKLEY. Mr. President, does the Senator intend to discuss the amendment?

Mr. ROBINSON of Arkansas. I had intended to do so briefly.

Mr. BARKLEY. Very well.

Mr. ROBINSON of Arkansas. Mr. President, the Congress has been at work for quite one-half the period of the present session. There has been much discussion of so-called relief measures for the drought regions. It has been my conviction, and is still my conviction, that funds for loans to enable farmers to make crops within those regions would be a better system of meeting the conditions there than through mere charity. That conviction has been so often expressed by myself and by others that I shall not give emphasis to it at this time. The Senate twice adopted by unanimous vote provisions of that character.

It will be recalled that the joint resolution of the Senator from Oregon [Mr. MCNARY], known as the seed, feed, and fertilizer measure, as it passed the Senate, carried arrangements for loans for the purpose of supplying food to persons within the drought regions and to enable them to produce crops. It will be remembered also that the resolution was modified so as to eliminate loans for food and to restrict the funds authorized to supplies of feed, seed, fertilizer, and such other purposes of crop production as the Secretary of Agriculture may prescribe. After the authorization measure had become a law, the body at the other end of the Capitol passed an appropriation bill carrying $45,000,000, and the Senate again insisted upon loans for food. An amendment offered by my colleague the junior Senator from Arkansas [Mr. CARAWAY], appropriating $15,000,000 for loans for food, was added to the appropriation of $45,000,000 as passed by the House. In the latter body it was objected to, and, in order to secure any relief whatever under the measure, it became necessary for the Senate to recede from that amendment.

In the meantime, from limit to limit of the country, were coming complaints that the assistance being given by the Red Cross was inadequate; that it was not reaching a large number of persons who were deserving of and entitled to relief; and that a most serious and appalling situation was confronting the country. Thereupon, at the instance of a number of Senators on both sides of the Chamber, the Senator from Alabama [Mr. BLACK] and I were prompted to introduce the pending amendment.

I say again that, so far as it relates to the drought region, I should prefer the other method of relief; but it does seem to me amazing that in this great country, where there exist almost unlimited reserves, both private and public, there should continue for any indefinite period a widespread demand for food upon the part of hundreds of thousands, perhaps millions, of American citizens, who through no fault of their own, who in spite of every exertion which they

have been able to make, in spite of their loyalty to our flag and the institutions of our country, have been brought to a condition of danger and despair; and that while we differ about the method of relief and about the agencies that should be employed men, women, and little children are being deprived of that which no Senator in speech denies them the right to have.

Already the Red Cross has on its rolls something like half a million persons. The number is daily increasing. In the large cities of the country, many of them far removed from the drought regions, there have been lengthening bread lines, which cause those who possess feelings of sympathy to experience sensations of great regret and anxiety.

Is it possible that we shall commit ourselves to a half-hearted policy under the conditions which we have all come to recognize? There is no longer any contention about communistic agitation; there is no longer insistence upon the part of anyone that a widespread, far-reaching calamity is not upon the country; but with, I might say, stupidity we debate and differ about the system and method of relief, and all the while suffering continues. In recognition of this fact, and in the belief that more than anything else prompt and decisive action upon the part of the Congress of the United States looking toward recognition of the conditions which all have come to understand will be helpful and advantageous, this amendment is presented.

In an effort to embarrass its adoption, the statement is sent forth that it will hamper the Red Cross in the campaign that is being carried on to collect by volunteer subscriptions $10,000,000 from the people of the country for the purposes for which the amendment is proposed. Just a few days ago the head of the Red Cross appeared before the Appropriations Committee of the Senate and said:

> There is no need for additional contributions; there is no need for appropriations; we have adequate funds to carry our operations on throughout the winter, and if we should ask for additional contributions the public would laugh at us, and mock us, because there is no necessity for them.

Notwithstanding that statement, which has already been placed in the RECORD a number of times, an appeal has been made to the generosity of our citizens for a contribution of $10,000,000, and it is to be hoped that appeal will be responded to promptly and with liberality. It is a poor compliment to the generosity of an American citizen to say that if the Government of the United States does anything toward relieving nation-wide distress those who possess sufficient wealth to make contributions will refuse to do anything. It is a poor compliment to the Red Cross to say that it can not take public funds and add them to the contributed funds and expend them for the lofty and necessary purposes which are in mind.

The statement has even been made that for the Government to do anything in this crisis means the destruction of the Red Cross. That statement is not worthy of consideration by serious-minded persons. I recall that just following the World War an appeal was made to the Congress of the United States to appropriate a large sum to be expended by the Red Cross in Russia, a foreign land, for the relief of suffering people there, and that through the action of the Congress $25,000,000 of the public moneys, moneys of the United States, were made available for that purpose. That incident never embarrassed the Red Cross; it never embarrassed any American citizen; it never hampered or hindered any generous person from contributing to laudable, charitable purposes. It should have encouraged and prompted them to greater liberality.

I remember, too, that an appeal was made to the Congress to appropriate $100,000,000 to feed hungry and starving peoples in Belgium and other foreign lands; that the banner of the Red Cross was uplifted in sight of the starving citizens of other nations, and the relief work done in Europe never hampered or impaired the activities of the great organization through whose efforts relief was carried on.

I remember, too, that in our own land, in numerous instances, a list of which was placed in the RECORD by the Senator from Tennessee in an address delivered by him a few days ago, our Government has made appropriations, and in some cases liberal appropriations, for the relief of citizens in distress, to provide them with food, to protect them against danger. Now, the question that is presented to the Senate is whether we shall stop wrangling about methods and means and agencies and do something substantial. The worst thing that can happen in this country is going on now, and that is the impairment of the morale of thousands of faithful, loyal citizens who think they are entitled to some consideration and recognition from their Government.

In ordinary times, under circumstances which have no relation to nation-wide distress, charitable organizations may be relied upon; but, in my judgment, it is fairer and better that the whole public should bear a responsibility and a nation-wide burden of this character than that the generosity of our citizens should be relied upon as an exclusive method of providing relief. In some of the great cities of the country already, for a period extending over several months, demands and requests have been made for contributions. The Senator from Washington [Mr. JONES] placed in the RECORD telegrams to the effect that cities referred to in the telegrams were unable to respond to the call recently made by the Red Cross for $10,000,000; and there are many other communities that will find it difficult to do so, some of them having already carried on to the extent of their ability.

If it was not a dangerous precedent to feed starving Russians at the public expense of the United States, how can it constitute a dangerous precedent to make a similar provision for our own people? If it was not a dangerous precedent to carry food to starving Belgians, by what mental process does any fair-minded person reach the conclusion that it is an act to be condemned to attempt to commit the public to the responsibility of carrying on this very great task which present conditions impose.

I respect and admire the Red Cross. I must say, in frankness, that I do not feel that that great organization has measured up to the standard of efficiency which might have been hoped for in this emergency. Senators may agree with me that when it was said just a few days ago that ample funds were already provided with which to do the work in sight, and that now a nation-wide appeal is being made for more than twice the fund then in hand; that these circumstances disclose either a lack of comprehension of the conditions or a failure to grasp the measure of relief required.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. ROBINSON of Arkansas. I yield to the Senator from Idaho.

Mr. BORAH. I desire to ask a question. I take it, from the reading of the amendment, that this amount is to be available to the Red Cross to be used in any part of the country or wherever it thinks it necessary to use it.

Mr. ROBINSON of Arkansas. To be sure.

Mr. SHIPSTEAD. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Minnesota?

Mr. ROBINSON of Arkansas. I do.

Mr. SHIPSTEAD. How do we know that it is going to be spent for the people who are suffering now? I understand that the Red Cross has a large fund, but that it has been giving people, say, 1 cent for a meal.

Mr. ROBINSON of Arkansas. Yes, Mr. President; the measure of relief that is being afforded through the Red Cross is manifestly inadequate.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from California?

Mr. ROBINSON of Arkansas. I yield to the Senator from California.

Mr. SHORTRIDGE. I note in the proposed amendment that this fund, if appropriated, is to be expended for supplying food.

Mr. ROBINSON of Arkansas. Yes.

Mr. SHORTRIDGE. I am a little curious as to whether it would not be wise to include, for example, medicines where needed, or medical supplies. I do not wish to do more than throw out that thought to the Senator.

Mr. ROBINSON of Arkansas. Mr. President, the suggestion has been made that it should also embrace clothing. I think it is true beyond doubt, as suggested by the Senator from California, that it ought to include medicines.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Just one moment.

It may surprise some Senators to know that in a considerable area of the country physicians are, and have been for several months, furnishing medicines at their own expense and rendering their services to patients without compensation or the hope of compensation; and that, of course, has added very substantially to the distress in the regions where it is taking place.

I yield now to the Senator from Minnesota.

Mr. SHIPSTEAD. Mr. President, some days ago the Red Cross were reported to have said that their funds were sufficient, and that they did not need any aid. Has that statement been denied?

Mr. ROBINSON of Arkansas. No. That statement was made by Mr. John Barton Payne before the Committee on Appropriations on the 6th of January; and in the same testimony, when asked by the Senator from New York [Mr. COPELAND] whether he was in doubt as to whether the funds were adequate, or whether he contemplated an appeal for additional funds, Mr. Payne replied: "Why, Senator, if we made an appeal for additional funds you would laugh at us, because there is no necessity for it." Yet, within three days, an announcement was made that an appeal to the country would be made for twice the amount of funds that they then had on hand.

I wish to add, in connection with the thought suggested by the Senator from Minnesota, that I hope the people of the country will find themselves able to subscribe the $10,000,000 asked for by the Red Cross as voluntary contributions. No person truly generous will refuse to respond to that appeal who is able and has the desire to respond to it; but if it is responded to in full measure, and $10,000,000 are provided, that sum will still be inadequate; and Congress ought to recognize the fact, and recognize it now. By taking prompt action more will be done to restore and sustain the morale of those in need than by waiting two or three months, when it will have to be done.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Nebraska?

Mr. ROBINSON of Arkansas. I yield to the Senator from Nebraska.

Mr. NORRIS. I desire to make a suggestion to the Senator.

This appropriation, when placed in the hands of the Red Cross, will necessarily be used by them for such purposes as the language of the appropriation will permit. If it is amended, as it seems to me it ought to be, to include clothing and medicine, then the money that we appropriate would not be used by the Red Cross for any other purpose. As the amendment is drawn, however, the Senator has in it these words—

in addition to such sums as may be or may become available through voluntary contributions.

It seems to me that it would be unwise for Congress to undertake to direct the Red Cross as to what should be done with contributions that are made in this way.

Mr. ROBINSON of Arkansas. Undoubtedly that is true.

Mr. NORRIS. Since this amendment does appropriate or does specify for what purposes the money we appropriate shall be used, it seems to me it would be wise to strike out of the Senator's amendments the words I have just read.

Mr. ROBINSON of Arkansas. Yes; if there is any doubt in any Senator's mind as to the meaning of the language, I should have no objection to modifying it or striking it out, and I am sure the Senator from Alabama [Mr. BLACK] would not.

Mr. NORRIS. Let me ask again: Does not the Senator think that the amendment as it now stands would be construed as an attempt on the part of Congress to limit the use of funds that had been voluntarily subscribed?

Mr. ROBINSON of Arkansas. There is no intention on the part of the authors of the amendment to do so.

Mr. NORRIS. I do not think there is; but I am afraid the language rather conveys that idea.

Mr. ROBINSON of Arkansas. I do not think it is open to that construction.

Mr. NORRIS. The language is:

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated—

So much money; but in addition to that such other sums as may be subscribed. Would it not follow that they are also appropriated?

Mr. ROBINSON of Arkansas. That is a parenthetical clause, plainly intended, as I see it, to indicate that it is not in lieu of voluntary subscriptions, or not to interfere with them in any way. However, I would wish to see the language modified if there is in the mind of the Senator from Nebraska or any other Senator a question as to its true meaning.

Mr. SHIPSTEAD. Mr. President, may I ask the Senator another question?

The VICE PRESIDENT. Does the Senator from Arkansas further yield to the Senator from Minnesota?

Mr. ROBINSON of Arkansas. Yes; I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. In view of the attitude of the officials of the Red Cross in this emergency up to this time, does the Senator think that they now have such an understanding of the emergency situation that they can properly administer these funds if we give them to them?

Mr. ROBINSON of Arkansas. Mr. President, I think daily the Red Cross is growing more and more familiar with conditions. Daily the Red Cross agents are gathering information; and I think they have been astonished at the necessity for action, far beyond anything that was anticipated just a few days ago. That is the only manner in which I can account for the reversal of the attitude of the head of the Red Cross, who said, as I have already stated a time or two, that he had adequate funds, and who now is asking for $10,000,000 more.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. ROBINSON of Arkansas. I yield to the Senator from Tennessee.

Mr. McKELLAR. In view of the attitude that the Senator from Minnesota has just suggested, would it not express our view about the matter better to substitute, in line 5, the word "shall" for the preposition "to," so as to read?—

And shall be expended by the American National Red Cross for the purpose of supplying food—

And so forth. I am just wondering whether or not that should be done. Of course they ought not to expend it unless it is necessary to be expended; but, at the same time, this would be merely a permissive provision.

Mr. ROBINSON of Arkansas. It had not occurred to me that it would be practicable to compel them to expend money.

Mr. McKELLAR. Oh, no.

Mr. ROBINSON of Arkansas. My thought is, and I think it is also the thought of the Senator from Alabama, that it is sufficient to provide them with the funds, and state the purposes for which they shall be expended.

Mr. President, for the present I think I have stated all that I desire to say on the amendment.

Mr. BLACK. Mr. President, it is not my purpose to say more than a very few words with reference to this amendment.

Several days ago I announced on the floor of the Senate that after a personal investigation I had found that families with as many as six dependents were limited to $4 per week in contributions from the Red Cross. On investigation at

the local chapters I was informed that they were limited to $4 per week—not because the Red Cross thought $4 per week was adequate but by reason of the fact that the funds were limited.

Several days ago I wrote Judge John Barton Payne, chairman of the Red Cross, a letter, a copy of which I have on my desk, and asked him whether or not if $10,000,000 should be raised by public subscription, this amount would be such that dependent families of as many as six could have an allowance of more than $4 per week. In reply to that letter I was informed by Judge Payne that the amount was fixed wholly by the local chapters; and he declined to state whether or not, if $10,000,000 should be raised by public subscription, families could have more than $4 where as many as six are dependent.

Mr. President, it seems to me that, perhaps, this is an example which might lead some of us to question whether or not this charitable organization should be closely allied, from time to time, with the dominant administration in American politics. The question in this amendment is simple. The junior Senator from Massachusetts [Mr. WALSH] placed his finger on the exact point several days ago. The question is, Who shall pay the amount which is needed to adequately take care of the suffering and the destitution which we have in the United States to-day? We know that if it is left to local officials, or to local charity, it must be met by an additional tax upon the lands, if it is met by a tax. We know that if it is left to local charity, it will be met in a thoroughly inadequate fashion, too frequently by people who are not at all able to meet the situation.

We know, on the contrary, that if the Federal Government passes an appropriation to be met out of the public taxes the Federal Government has the power to take the money fairly and adequately and proportionately from those who are most able to pay. That is the sole issue which arises in this case. That is the reason why there comes forth from the White House this afternoon, according to information given to me, an objection that this appropriation would prevent the raising of the funds from public contributions.

Why is that contention made? It is because, as has been stated on the floor a number of times in these days of dire distress, those in charge of this Government desire to protect the large taxpayers who are most able to pay for the breakdown which has occurred in the industrial system. The administration is willing, apparently, to go to any possible extreme rather than have the possibility of an increase in the taxes of those who are most able to pay.

Why is it that every obstacle is thrown in the way of a contribution by the Federal Treasury? Is it a new situation? I hold in my hand a report of the evidence taken before the House Committee on Foreign Affairs on the question of contributing money out of the public funds for starving people in Russia. The junior Senator from Texas [Mr. CONNALLY], who sits just behind me, was a member of the House committee at the time. I have before me a report of the testimony of the present President of the United States, who was at that time in charge of seeking to raise the fund for the starving in Russia. I find this statement:

> In the Volga Valley, with a population, as Governor Goodrich said, of something like 15,000,000 to 18,000,000 people, there has been on top of this general decadence an extremely acute drought.

This is the testimony of Mr. Hoover.

> The problem that we are confronting is not a problem of general relief to Russia, for which there can be some criticism, but is a problem of relief to an area suffering from an acute drought.

We find in this testimony the evidence of Mr. Hoover at that time asking for an appropriation out of the Public Treasury, not to lend money to those who were suffering on account of a drought but to make an absolute contribution out of funds in the Federal Treasury for the benefit of those who were suffering on account of a drought in Russia.

Mr. CARAWAY. Mr. President, that was for Russians; that was not for Americans.

Mr. BLACK. That is correct.

Mr. CARAWAY. That is the only difference.

Mr. BLACK. That is the only difference.

According to the evidence the situation was that these people in Russia were suffering from a drought, that it had been a problem over a large part of Russia, that they were starving, and that their animals were starving.

I might call attention to a letter I received a few days ago, in which this statement was contained:

> Cattle already dying of starvation. The work stock will go next, and acute suffering among the people is already with us.

One of the reasons given for taking money out of the Public Treasury to feed the starving Russians was that the animals were already starving.

I will read just a little further from the testimony of Mr. Hoover:

> I feel that public charity will do everything that charity can do, but these are times when one can not rightly summon much public charity for use abroad from the American people.

That is the statement of Mr. Hoover. Going further, he said:

> Some question has been raised in here and elsewhere as to our own economic situation not warranting our extending relief abroad. I would like to discuss it from two points of view. The first is whether we can afford it. In a general way this country is spending something like $1,000,000,000 a year on tobacco, cosmetics, ice cream, and other nonessentials of that character.

Such expenditures have not decreased since that day.

> It does not look to me a very great strain on the population to take $20,000,000 for a purpose of this kind. If our own people suffer, we surely possess also the resources to care for them.
>
> We are to-day feeding milk to our hogs; burning corn under our boilers. From an economic point of view, there is no loss to America in exporting those food stuffs for relief purposes. If it is undertaken by the Government it means it is true that we transfer the burden of the loss from the farmers to the taxpayers, but there is now economic loss to us as a Nation, and the farmer also bears part of the burden.

What argument was made then by the present President of the United States tending to leave the impression that a contribution out of the Public Treasury for starving Russians would prevent the people of the United States from contributing to the American Red Cross? What change has come about that made it right back in those days to appropriate money to feed the starving people in Russia, starving on account of a drought but to-day wrong to take money out of the Public Treasury to feed starving Americans, many of whom are starving on account of identically the same cause, namely, a drought? What good reason has been advanced?

The only reason that has been suggested to-day is that it will prevent the contribution being made by the public. All over the United States to-day people in moderate circumstances are strained to the limit. In the city in which I live, Birmingham, Ala., I had opportunity a few weeks ago of going to the Red Cross and to the community-chest headquarters. I found that both of those organizations occupy an entire floor of an office building, which provided space wholly inadequate to enable them to receive the applicants for the relief which they had to award. They had taken over the entire basement of an office building in order to receive the applications of those who are in destitution and in want.

In this city there has been called for the 27th of this month an election to determine whether a million-dollar bond issue will be voted by the people for work on the public parks and on public buildings. During the time I was there the city gave out notice that a few men would be employed. It almost caused a riot on account of the large number of men who came to seek that employment.

All over this country there are similar conditions. Millions need help. They need it now—this moment. The time has come when every man with his eyes open who looks at the situation fairly and impartially knows that the contributions made voluntarily are not meeting the situation adequately and fairly and justly, as American citizens have a right to anticipate it shall be met by their Government.

Has the time come when this country worships so at the shrine of wealth and of money that it hesitates to dig down into the Public Treasury to feed the people who are starving in practically every State of this Union? Shall we continue a method of raising funds simply because we have used it in the past, or shall we adopt the only fair method open to us to-day?

When the tocsin of war was sounded in this country in 1917, did we follow the old system of taking into the Army only those who would volunteer their services? We did not. When the country was threatened with danger we drafted men into the service by the millions.

To-day we are met with the proposition that we must depend, not upon the only fair system which would enable us to raise the money necessary to take care of the suffering and the destitute of this land, but we must bow down before the old fetish, we must adhere to the ancient method of passing the hat.

It is true, of course, that in the old country, England, from which our people came, there were "poor laws." It was against the law for a poor person to go from one section to another. A few weeks ago I was informed by a Red Cross worker that in one city in this country men are being taken in county and city trucks out beyond the county line, left without a cent to buy food, and told they must leave that section of the country.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. BLACK. I yield.

Mr. CARAWAY. In one county in my State a crippled man—what we call a tie maker—with a family, had not a bite in the world for himself or his family of children, and a man who had $2 gave him $1. When that man got to town and tried to get relief from the Red Cross, after he had made his application and shown his absolute destitution, they discovered that while he had lived in that county his tent was about 30 feet over in another county, and they would not give him a bite, and he had to go 30 miles over to the county seat of another county in order to get a ration of bacon for his family. That is the situation.

Mr. BLACK. That is correct. I might call attention to one instance I mentioned several days ago. I had a letter from a volunteer Red Cross worker. A soldier who had served 10 months in France, and who has two little children, helpless, was found by this volunteer Red Cross worker, his wife in bed, the two little children helpless, no light, no food, no water. The water was cut off, the lights were cut off, the gas was cut off, and that soldier was receiving $4 a week to support the four members of that family.

Mr. President, we might as well face the situation as it is. The impression has gone out from the administration, which is opposed to taking funds from the Treasury, that the Red Cross is meeting the situation adequately. I deny that the Red Cross is meeting the situation adequately. It can not do so with the funds at its disposal, nor with an additional $10,000,000. I assert that if any man in the country will go out with his eyes open, and look for himself, he will find home after home with three to six members in the family who are given no more than $4 per week to buy food and to supply warmth in the houses in which they live.

I make no charge against the Red Cross as an institution. It is a great institution. It deserves the support of the citizenship of the country. It has accomplished much good in the past with its errands of mercy, and I sincerely trust that it may do much good in the future. But, unfortunately, we find it too closely allied with an administration which is fearful of some increase in taxes that might impose a burden upon the heaviest contributors to the campaign fund of the party which is in power.

Unfortunately, we find propaganda going out through the country that the situation is adequately and fairly met. It is not. Not only is it not met in Arkansas but I deny that the situation is met in Alabama. I deny that the situation is met in other States. I deny that any man can go and make search for himself and reach the conclusion that $10,000,000 will do more than scratch the surface to relieve the suffering of the hungry, the weak, the destitute, and the unemployed in the land.

Has the time come that we will sit silently by under such conditions? What is the Government doing? Let me answer that. Here is a letter written by the Federal land bank to Alabama men who owe money to that bank. Do we find a recognition of the fact of the depression that exists, the widespread panic abroad in the land? Do we find that there is some message of hope extended to the debtors on their mortgaged farms? Not at all. We find that now, for the first time, according to the Federal land bank administration, at a time when there is the most distress, they are saying, "We have been too lenient in the past and you must pay up now to the last dollar." At the very time when the Government should be showing some mercy to its people, the banks which it financed from the Treasury of the United States are exacting the last pound of flesh just as Shylock did in the days of old. Let me read from this letter from the Federal land bank:

> We fully realize the conditions in your section of the State have not been the most favorable, yet in safety to this bank and in fairness to the various associations and borrowers, we have been compelled to adopt this new policy in regard to the payment of these installments when due. We have been unable to grant any extensions whatever on new installments in the State of Alabama and will be forced to adhere to this policy.

And here is the rule which was sent out to all secretary-treasurers in the fifth Federal land bank district:

> The Federal land bank has been more than lenient with their borrowers during the past few years with the result that they now face the coming collection period with more delinquent loans than ever before, at this time, in their history.
>
> In view of this condition they have been compelled to adopt a policy that demands immediate payment of all items due on a loan as they mature. We have the necessary means at our disposal to enforce this policy and suitable preparation has been made to take definite action on all loans where the payment of any item due has been neglected or delayed.

This is quoted from a letter addressed to all secretary-treasurers, fifth Federal land bank district, by A. W. English, assistant vice president, the Federal Land Bank of New Orleans.

Mr. SMITH. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. BLACK. I yield.

Mr. SMITH. I introduced a bill looking to an appropriation sufficient in the judgment of the officers of the bank to meet those cases where, on account of these disasters and the depressed condition of prices, the situation seems to justify—an appropriation which would be sufficient to permit the payments to be carried for a period of not to exceed three years. I was informed by some officers of the bank that that would jeopardize the whole system and freeze up their assets, which I presume means their right to foreclose and take the property, and that it would extend for three years, the condition which now exists, when the proposition involved in the bill which I introduced was that surely within three years we would know whether or not this horrible condition would be relieved. That was from the officers who represented the bank in this city. I not only introduced a bill to that effect, but I understand the senior Senator from Mississippi [Mr. HARRISON] introduced one involving the identical principle. Yet in the face of that jeopardy, as they call it—that is, the Government coming in and maintaining the salability of the bonds—they prefer to close out these people and possess themselves of the land.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. BLACK. Certainly.

Mr. HARRISON. I am delighted that the Senator has read that communication which is, I take it, from the Federal land bank at New Orleans. Will the Senator give us the date of the letter?

Mr. BLACK. I have quite a number of letters. One to which I referred was written December 6, 1930. The other from the Federal land bank was dated August 25, 1930.

Mr. HARRISON. We had an extended hearing this morning before the Banking and Currency Committee looking to an extension of these loans and for an advancement to be made out of the Treasury of the United States to meet any interest that might be due upon the bonds. The Federal Land Bank Board representative there this morning said that every possible extension was being given in these various cases, and so forth. In other words, they present quite a different picture from that which has come to me through innumerable letters from correspondents in my State and the communication from the Federal land bank itself.

Mr. SMITH. Mr. President, may I ask the Senator from Mississippi a question?

Mr. BLACK. I yield for that purpose.

Mr. SMITH. Was there any development in the hearing had this morning before the Committee on Banking and Currency as to any reserve the bank had which it might use to meet this interest? They stated to me, as we all know, that the sale of these bonds is the source from which they get the money to loan to the farmers. The interest on the bonds must be met or the bonds will be discounted and vitiated in the market. The plea to me was that this being the only source, they had to collect or foreclose and get out of the property enough to meet all the obligations incurred under the mortgage up to that time. Did they indicate to the Senator that they had any reserve?

Mr. HARRISON. They contend this is the only way of getting the interest, and that is why the bill which I introduced provides for the advancement to meet the interest payments out of the Treasury. The Treasury will lose nothing thereby because they get a first lien on the property.

Mr. SMITH. It is simply added to the principal to be collected at the expiration of the time?

Mr. HARRISON. Yes.

Mr. CARAWAY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BLACK. Certainly.

Mr. CARAWAY. While the Senator is discussing that question, the same policy is being pursued by the land bank in St. Louis, except that it is going farther. It is making no loans, although it pretends that it is. It is receiving fees for making inspections, and refusing every loan. When men are already hard up and absolutely broke it will take $40 from them for an inspection and then decline the loan without any reason for it except that they can not make this particular loan. It is not exactly petty larceny, but it approaches so closely to it that it needs quite a definition to distinguish it.

Mr. McKELLAR. Mr. President, will the Senator yield so I may ask the Senator from Mississippi a question?

Mr. BLACK. I yield.

Mr. McKELLAR. I desire to ask the Senator if the officers of the Farm Loan Board stated that they were not foreclosing mortgages? I so understood him. If such was the statement, it certainly does not apply to the Louisville district, because in that district, in which Tennessee is included, I have many letters saying that the mortgages are being foreclosed, and are being foreclosed this very month.

Mr. HARRISON. They said they are foreclosing in no case where there is the slightest possibility of ever getting anything out of it. In other words, what they state is not the situation as the facts come to me from innumerable people in my own State.

Mr. SMOOT. The experience we have had in our State is that there is no foreclosure until the man has left the land and said he was not going to carry out the terms of the mortgage.

Mr. BLACK. Mr. President, going a step farther, I want to call attention to what the Government is doing to the southern farmers. We have made loans to the shipbuilders amounting to more than $131,492,000. I sent to the Secretary of the Treasury about 10 days ago a request that I be given the amount which has been loaned to the railroads. To-day I have received a reply to that request, and I find that we have loaned to the railroads more than $290,000,000 under section 210 of the transportation act. With more than $131,000,000 loaned to shipbuilders, with numerous subsidies given them running up into the millions on account of mail contracts, with more than $290,000,000 loaned to the railroads, we find a protest here that we can not afford to draw a few millions from the Public Treasury to relieve starvation and hunger for our own people. Mr. President, what is the reason for it? Why is it that the Federal land banks are closing down on the farmers of the Nation?

Some time ago there appeared in the conservative Saturday Evening Post an editorial lamenting the fact that 13 per cent of the people of the United States own 90 per cent of the country's wealth. The Saturday Evening Post said the facts had been found by a commission of which Mr. Hoover was a member. All over the land we find signs of a more rapid concentration of wealth in the hands of the few at the cost of increased poverty to the many. To-day, with wheat bulging the granaries, with feed being thrown into the waters, with wheat itself being used for fuel, with sufficient clothing materials in the country to be manufactured to clothe all the people of the world, with a surplus of practically every commodity, we find millions of people walking the highways and byways of this great Nation in search of employment and suffering from hunger and cold. In the face of these distressing facts we find on the part of the administration opposition and hostility to the Congress voting $25,000,000 out of the accumulated wealth of the Nation in order to take care of those who are in distress.

Mr. President, the first principles of humanity require that the Government itself meet the situation to-day. The man who claims that $10,000,000 will more than scratch the surface talks with ignorance of the situation as it is. It can be met in only one way to-day fairly and squarely so that the burden will be laid upon those who ought to bear it, and that is by a contribution out of the Federal Treasury. The Government has a right to tax the great wealth of those who have grown fat and bloated by reason of unfair laws which have created monopoly, resulting in the concentration of the wealth of the many into the hands of the few.

So, Mr. President, it was without any hesitation that I joined the senior Senator from Arkansas [Mr. ROBINSON] in offering the amendment in order that we of the Congress may do our duty, whether any other branch of the Government does its duty or not, in providing relief for those who are suffering from hunger.

At this point I desire to say that so far as I am concerned—and I understand it is satisfactory to the senior Senator from Arkansas [Mr. ROBINSON], whose attention I invite—that the amendment shall read, in line 6, after the word "food," the words "medicine, medical aid, and other essentials to afford human relief in the present national emergency."

Mr. ROBINSON of Arkansas. That is satisfactory to me.

The VICE PRESIDENT. The Senators modify the amendment as stated.

Mr. BARKLEY. Does that include clothing?

Mr. BLACK. It will include everything necessary to afford human relief in the present national emergency, and, of course, that would embrace clothing.

Mr. CARAWAY. Mr. President, will the Senator permit me to interrupt him?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BLACK. I yield.

Mr. CARAWAY. Would it be satisfactory to both Senators to add the word "adequate" or "adequately"?

Mr. BLACK. Adequately?

Mr. CARAWAY. Yes. As the Senator knows, the Red Cross is trying to feed people in my State on a cent a meal. They would not be willing to try to live on such an amount themselves; they would not try to maintain even a pet dog on it, but that is the amount on which some people are being fed there.

Mr. BLACK. Where would the Senator suggest that the word "adequately" come in—before the word "supplying"?

Mr. CARAWAY. I suggest that it should read "supplying food adequately to persons otherwise unable to procure the same"—after the word "supplying," in line 6.

Mr. BLACK. May I ask if it would not be satisfactory to insert the word "adequate," so that the clause would read as follows:

To be immediately available and to be expended by the American National Red Cross for the purpose of supplying food, medicine, medical aid, and other essentials to afford adequate human relief in the present national emergency.

Mr. CARAWAY. I should like to suggest that people are entitled to eat enough really to enable them to live, and not just starve to death by slow degrees.

Mr. BLACK. I agree thoroughly with the Senator as to that.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. BLACK. I yield.

Mr. ROBINSON of Arkansas. I think there should be added also at the end of the amendment language such as this:

Any portion of this appropriation unexpended on June 30, 1932, shall be returned to the Treasury of the United States.

Mr. BLACK. That is entirely satisfactory to me.

The VICE PRESIDENT. The Chair will suggest that modifications which the Senators desire to offer to the amendment be sent to the desk.

Mr. BLACK. I send the amendment to the desk as it has now been modified.

Mr. SHORTRIDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from California?

Mr. BLACK. I yield.

Mr. SHORTRIDGE. I will take the liberty of suggesting to the Senator from Arkansas that we should not hastily agree to the words suggested. I should like to look them over. I could not hear all, but there were phrases there which I fear are altogether too general.

Mr. BLACK. Suppose I read the amendment as modified to the Senator?

Mr. SHORTRIDGE. I do not want to decide the question on the moment.

Mr. ROBINSON of Arkansas. Let me inquire of the Senator from California if the words to which he has reference are those proposed by the Senator from Alabama or those proposed by me?

Mr. SHORTRIDGE. I refer to the words suggested by the Senator from Alabama.

Mr. ROBINSON of Arkansas. Out of deference to the Senator from California, I suggest to the Senator from Alabama that he hold the matter in abeyance.

Mr. SMOOT. Mr. President, it is quite evident that we can not get a vote upon this amendment to-night, and if there are no——

Mr. HEFLIN. Mr. President——

The VICE PRESIDENT. The Senator from Utah has the floor.

Mr. HEFLIN. I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HEFLIN. If the Senate should take a recess now, the pending matter will be before the Senate the first thing in the morning, will it not?

The VICE PRESIDENT. It will be.

Mr. HEFLIN. I hope that we will continue with its consideration until it shall have been disposed of.

Mr. SMOOT. I understand the Senator from Alabama has concluded his remarks, has he not?

Mr. BLACK. I am willing to defer the matter until to-morrow when the Senate convenes.

Mr. SMOOT. The Senator had better go on and conclude his remarks, and then we will take a recess.

Mr. BLACK. I prefer to wait until to-morrow. If I have anything else to say I would rather say it then.

Mr. SMOOT. Very well.

Mr. BINGHAM. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. SMOOT. I yield.

Mr. BINGHAM. I ask unanimous consent that there may be printed at this point in the RECORD an editorial from the New York World of Friday, January 16, 1931, entitled "The Drive for a Dole," which expresses the sentiments which I should have liked to have expressed had there been time to-day.

The VICE PRESIDENT. Without objection, it is so ordered.

The editorial referred to is as follows:

[From the New York World, January 16, 1931]

THE DRIVE FOR A DOLE

Defeated in his efforts to add an appropriation of $15,000,000 for food to the drought relief bill, Senator ROBINSON of Arkansas has served notice that he will undertake to include $25,000,000 for food for the drought sufferers in either the agricultural or the deficiency appropriation bill when these measures come before the Senate, and that if this proposal is rejected he will prevent the passage of the bills. The Senator does not make it clear why, if the $15,000,000 was ample in his first project, it should be necessary to raise it by $10,000,000 in his next. The amount of the proposed appropriation, however, is not the important issue.

The question really is one of principle and precedent, and the answer is not dependent on the degree of one's sympathies with the distress in the drought-stricken States. According to the most authentic reports, the suffering in this area is serious and the need of relief is urgent. The dispute in Washington is over the question whether this relief shall be supplied by the Federal Treasury or by voluntary contributions to be administered by the Red Cross. A campaign to raise $10,000,000 has already been inaugurated by the Red Cross, but Senator ROBINSON of Arkansas and his colleagues from the distressed States insist that this sum is inadequate and that Federal aid is necessary.

It should be noted that Federal aid to the extent of $45,000,000 has already been voted. This will take the form of loans to farmers for the purchase of seed, fertilizer, animal feed, and other supplies needed to make a new crop, and the purpose is to help the farmers reestablish themselves as producers. It is a far cry from this to a system of direct relief through the Government's supplying of food. The principles involved in the two cases are wholly different. Once the Federal Government embarks on a program of supplying its needy citizens with food, the demands which may be made upon the Treasury for such a purpose will be practically without limit. The Government can be no respecter of persons. If the drought sufferers are the victims of conditions beyond their control, so are the idle coal miners, and so, for that matter, are the four or five million unemployed throughout the country. If the Government feeds one group it should feed all, and once it has embarked on such a policy the politically minded lawmakers will never permit its abandonment.

The experience of European governments with the dole and in past years the experience of some of our American cities with public outdoor relief afford ample warning of what is likely to follow from the adoption of a policy of this sort by the Federal Government. What is designed as an emergency measure will develop into a permanent system, imposing a constantly heavier burden and tending to perpetuate the very conditions it was created to relieve.

The political pressure upon Congress to vote direct relief is very great. The indirect relief which has already been voted is to be distributed in no fewer than 21 States, and every Congressman from this area must face the alternatives of voting money to his suffering constituents and of denying them this relief from considerations of a broad and abstract principle which they will hardly understand and certainly will not appreciate. Hence the need of an aroused and enlightened public opinion for the support of those opposing the establishment of a precedent which will lead directly to a nation-wide system of doles. The method of administering direct relief which has been employed heretofore is still available. The American people have always responded generously to the appeals of the Red Cross, and the Red Cross has always done its work well. There is every reason to believe that both will continue to do so.

So much for the principles involved. The tactics of the proponents of a food appropriation also call for consideration. Apparently they hope to carry their point by the threat of forcing a special session. If the appropriation is not tacked onto the agricultural or the deficiency bill, they may conduct a filibuster to prevent the passage of these measures before adjournment on March 4. Neither Congress nor the President desires a special session. Some business men are nervous over the prospect of one. The advocates of the food amendment hope, therefore, that their threat of an extra session will bring Congress and the administration to accept their program as the lesser of two evils. But that is just what their program is not. A special session is by no means so dangerous as some politicians would have us believe. It will bring certain annoyances and inconveniences, but the mere avoidance of these will not justify the payment of the price which is demanded by the advocates of the dole.

RECOMMITMENT OF NOMINATION OF CHARLES H. BEWLEY

Mr. McKELLAR and Mr. TYDINGS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield to the Senator from Tennessee.

Mr. McKELLAR. As in open executive session, I ask unanimous consent that the nomination of Charles H. Bewley to be postmaster at Greeneville, Tenn., may be returned to the committee.

Mr. SMOOT. Is that the nomination the Senator requested returned the other day?

Mr. McKELLAR. No; this is a different one. The other one was returned.

Mr. SMOOT. The chairman of the committee is not here. May it not go over until to-morrow? I, myself, have no objection to the request, I will say to the Senator.

Mr. McKELLAR. If the Senator prefers that course, I will defer the request until to-morrow.

Mr. SMOOT. I should like to have that done.

PROHIBITION

Mr. JONES. Mr. President, I have here an address delivered by Rev. M. A. Matthews, one of the leading ministers of Seattle, Wash., on the subject of prohibition. I ask that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, ladies, and gentlemen, we assume you are here to consider ways and means of defending the Constitution of the United States; therefore, let me call your attention to some controlling facts.

1. The question now before this country is whether or not the people are loyal to the Constitution. There is but one dividing line. On one side or the other you will find the people. There is no neutral ground. They are constitutionalists or they are personal libertyists. They believe in the Constitution as the chart of our liberties or they believe in satisfying their appetites and therefore are demanding personal license. They believe in liberty under law or they believe in license regardless of law. There is no such thing as personal liberty. The only liberty possible is liberty under law. You can not have liberty without law.

2. The agitation is revolving around the eighteenth amendment because certain political forces antagonistic to liberty under law are advocating the repeal of the eighteenth amendment. What is the eighteenth amendment? It was adopted January 29, 1919, and reads as follows:

"SECTION 1. After one year from the ratification of this article the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from, the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

"SEC. 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

"SEC. 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress."

You will see from the language used that the eighteenth amendment prohibits the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes. The purpose and intent of the eighteenth amendment is to prohibit the manufacture, sale, transportation, importation, and exportation of intoxicating beverages. The eighteenth amendment does not say a man should not drink; it does not say that it is a violation of law to take a drink; it does not say that it is a sin to take a drink of intoxicating beverage, but it does undertake to prohibit the manufacture and sale of intoxicating beverages.

The eighteenth amendment further says that the Congress and the several States shall have concurrent power to enforce this article by appropriate legislation. Concurrent power is vested in Congress and in the States to enforce the provisions of this amendment. It became incumbent upon Congress to pass laws for the enforcement of this amendment and, at least in spirit, it became incumbent upon the States to pass laws to enforce the eighteenth amendment. It would be at least a violation of the spirit and moral intent of the eighteenth amendment if States were to repeal their laws and thus nullify the eighteenth amendment within their boundaries, and thereby repudiate their concurrent jurisdiction and secede from their moral responsibility. They have no such moral right, and I doubt their legal right under the Constitution so to do. They, having assumed under the Constitution concurrent responsibility, have no moral right—and I do not believe they have any legal right—to repeal their prohibitory laws.

There is a moral obligation on the part of the States to uphold the Constitution and enforce the laws passed under the authority of the Constitution. Every Federal officer and every State officer in the judicial, executive, and legislative departments of government takes an oath to uphold the Constitution of the United States; therefore the question before the country is obedience to that oath, respect for the Constitution, the enforcement of its provisions and laws enacted under its authority.

The Constitution is explicit; the laws are upon the statute books; the legal and moral obligation rests upon the States as corporate entities of this great Nation and upon every law-abiding citizen to uphold, to enforce, and to maintain the Constitution regardless of personal opinion.

3. There is but one way by which the Constitution can be amended; namely, the constitutional way. If Congress were to pass a resolution submitting to the legislatures of the several States the question of whether or not the eighteenth amendment should be repealed, and if 36 States voted for the repeal, then the Constitution would be amended and the eighteenth amendment repealed.

The Constitution also says, "through the legislatures or conventions." Of course, we do not use the convention system, we use the legislative system, therefore States would not call conventions, they would follow the method that has been in use for many years for amending or repealing articles in the Constitution.

The people should understand that a popular vote on the question would not in any way affect the Constitution. In fact, there is no Federal authority, nor is there Federal machinery, by which the Federal Government could hold a referendum on the question. It would be useless and valueless; because if every man, woman, and child voted for repeal it would not take the eighteenth amendment out of the Constitution. There is only one way to change the Constitution, namely, a resolution passed through Congress submitting to the legislatures the question of repeal. The question must be voted in the affirmative by three-fourths of the States before you can repeal the amendment. Remember the legislatures must vote for the repeal, not the people.

Remember also that the people elect the legislators, Congressmen, and Senators; therefore their voice is expressed in that election. We should look well to the methods now being used by the wet forces to elect wet legislators and wet Congressmen.

4. Those who are advocating repeal are intelligent people, no doubt, and they know that the eighteenth amendment can not be repealed without producing chaos in this country.

Congress has no authority to prohibit the manufacture and sale of intoxicating beverages except through the authority vested in it by the eighteenth amendment. Therefore, do the people who advocate repeal of the eighteenth amendment desire to reenter the business of manufacturing intoxicating beverages? Do they desire to put the breweries and distilleries in the position of power they held before the eighteenth amendment was passed? Do they desire to foist upon the people of America the liquor traffic with all of its horrible consequences? That is what repeal would produce; therefore, those who advocate repeal must face the consequences and admit that they are working in the interest of the manufacture and sale of intoxicating beverages. They are working in the interest of the 190,000 retailers, the 1,400 breweries, and the 843 distilleries that existed under alcoholic control.

The people who are advocating the repeal of the eighteenth amendment are doing so because of one of three reasons:

(a) They desire to reestablish the alcoholic business in America. They desire to reestablish alcoholic rule in America.

(b) They desire to profit from the reestablishment of the alcoholic business in this country. It is the profit that is perhaps controlling their desire for repeal.

(c) They are interested in their appetites and are therefore opposed to regulation and legal prohibition of an evil that is indescribable in its horrible consequences.

At least one of these reasons, if not all three, control the advocates for repeal. They are not sincere when they say they are asking for the repeal for the purpose of establishing temperance. No intelligent person believes that statement.

It is folly to talk about the establishment of temperance by the repeal of the eighteenth amendment. Is there anybody in the country who is so far forgetful of the truth as to say that the brewery, the distillery, the saloon, and the institutions established thereunder were temperance agents, temperance schools, and temperance producers? Is there anybody who can truthfully say that the saloon, the distillery, and the brewery produced sobriety, prosperity, peace, and happiness in this country? I challenge America or the world to find any spot on earth where the distillery, the brewery, the saloon, the wine room, or the beer garden ever advocated temperance, obedience to law, righteousness, sobriety, and Christianity. They were in the business of manufacturing and selling that which produced intemperance and inebriety. They were producing drunkards, dissoluteness, homicide, and fratricide. They scattered the beach of time with the bodies of their victims. They wrecked homes and buried 75,000 drunkards in America every year.

Do the advocates of the repeal of the eighteenth amendment want us to understand that they desire to reestablish in this country that condition and vest again in the breweries and distilleries the power to open saloons and reproduce the wreck and ruin of past days? Is that their meaning? They say they do not desire to reestablish the saloon. It is impossible to establish the breweries and distilleries and vest them with power to flood this country with intoxicating beverages without producing the saloon or something that will take its place. They must find an avenue through which to sell, for revenue, that which is manufactured in the breweries and the distilleries. Therefore the advocates of repeal know that it is impossible to manufacture in-

toxicating liquor without establishing a saloon, or its equivalent, through which to pour the poison into the commercial channels of the world.

Let me ask another question. Do they desire the distilleries and breweries to be reinvested with authority to put over the homes of this country the cloud that rested there in the days prior to the abolition of the liquor traffic? Do they desire the distilleries and breweries to be established solely in order that they may make money out of the business regardless of its consequences? Is it revenue they are after, regardless of the wrecks produced? If the revenue could be taken out of the business they would never advocate repeal. They are not advocating repeal in the interest of temperance. They are advocating it because they desire to fill their coffers with the blood of drunkards and the blood of the drunkard's wife and baby. It is blood money they are after, not temperance!

These are questions that ought to be answered because we are in a deadly struggle to defend the Constitution, to uphold law and order, and to perpetuate the prosperity and happiness that has been produced under prohibition.

5. Let us eliminate some of the things that have been charged against the eighteenth amendment.

(a) The eighteenth amendment does not say that it is a sin to take a drink of whisky, the Bible does not say that it is a sin to take a drink of whisky, therefore, when irrational people inject what they call the personal moral equation into the problem they are doing it for other reasons than the establishment of facts.

(b) The moral education and the great value of an educational program have not been forgotten. It is no doubt true that good people were confident that America would respect and honor the Constitution, and, perhaps, they became rather negligent of their educational duties. The moral forces of the country, the churches, Sunday schools, public schools, colleges, and universities should continue to teach at every possible opportunity the evil effects of alcoholic contents upon the human system. The moral education should go on because moral persuasion is more powerful than legislation. Moral education is essential in this country, and, without it, it is impossible for us to develop the youth of the land. The eighteenth amendment did not eliminate that responsibility, nor did it advocate that the moral forces lapse in the performance of their duty in that respect.

We have committed a crime against the youth of the land if we have become indifferent, and we should now begin a most vigorous educational campaign.

"Let but one generation of American boys and girls be rightly trained in body, mind, and spirit, in knowledge and love and unselfishness, and all the knotty problems of our American life, social, economic, and political, would be far on the road toward complete solution. Let the training of but one generation be wholly neglected, and our civilization, losing its art, science, literature, and religion, would be far on the road to primeval savagery."

(c) The eighteenth amendment was not put into the Constitution by coercion, but, by the deliberate, overwhelming vote of the legislatures of this country. A large number of the States had voted dry prior to the submission of the eighteenth amendment. In fact, 33 States had so voted. There was never submitted an amendment that had a fairer consideration. Ninety-five per cent of the area of the Nation was under prohibitory law, and 86 per cent of the population were living under such prohibition. Therefore, the eighteenth amendment was logical.

(d) Prohibition under the eighteenth amendment did not produce the bootlegger. He began to thrive in Massachusetts and other parts of this country 150 years ago. He came into existence when the grocery man and dry-goods merchant was permitted to sell wine and beer. In New England they wore boots, and he literally reached down into the legs of his boots and produced the small pint bottle of hard whisky. He was the real and literal bootlegger. He was the product of the light-wine and beer régime of 150 years ago. He existed before prohibition; he continues to exist under prohibition; but he is being destroyed and will be eventually reduced to a very small minimum by the law-enforcing, Constitution-loving people of America.

(e) Prohibition did not produce the moonshiner. The moonshiner came into existence when this Government taxed alcoholic beverages. The old mountaineer moonshiner considered he had a perfect right to distill his corn or to grind it into meal. He did not become a moonshiner for revenue purposes. He became a moonshiner for the satisfaction of his own personal appetite. He began to sell his product after the Government taxed alcohol. He existed in the mountains of the South and of the East before prohibition. He has continued to exist, but is being reduced, and will be controlled ultimately.

(f) Prohibition did not produce the speak-easy. The speak-easy is not the product of prohibition. The speak-easy, the blind pig, the blind tiger, and such other designated institutions were the products of the saloon. They existed under the saloon régime. The man who conducted a speak-easy or blind pig bought a barrel of whisky from the saloon, adulterated it, multiplied it into three or four barrels and sold it right under the shadow of the saloon and under the protection of the saloon. When we say under the protection of the saloon, we mean that the existence of the saloon was a protection to the speak-easy, because if one of the blind-pig customers was seen on the streets in an intoxicated condition the public attributed his condition to the saloon, therefore the saloon really concealed and protected the blind pig and the speak-easy. In every town where there were saloons there were at least as many speak-easies, blind pigs, or blind tigers as there were saloons.

Let me read extracts from an interview with ex-Legislator Richard Patterson, president of the Pennsylvania State Liquor League, published in the Pittsburgh Leader, March 12, 1896:

"My investigation disclosed the fact that about 1,900 speak-easies flourish in Wilkes-Barre and vicinity, 200 in Bethlehem and South Bethlehem, and 66 in Carbondale. In Scranton the licensed saloons keep open on Sunday, unmolested by the authorities, but despite this fact there are from 750 to 1,000 unlicensed bars or tap rooms in the city.

"There are 15,000 speak-easies in Pennsylvania," continued Mr. Patterson, "and about 20 per cent of them would pay for licenses if the charge were more moderate."

Let me read extracts from an editorial published in the Pittsburgh Leader of November 15, 1900:

"At the meeting of the retail liquor dealers yesterday the statement was made that there are in Allegheny County 2,300 unlicensed dealers who sell liquor, in violation of the law, every day in the year, Sundays and election days included. This is a decidedly startling assertion, for while it is notorious that speak-easies exist and are to some extent tolerated by the authorities, there has been no visible reason to suppose that illicit traffic was being conducted on so large a scale. The district attorney of the county and the public-safety directors of the city ought to be heard from on this head. If the law is being violated so extensively as the licensed dealers claim, it is manifest that there must be a wholesale neglect of duty in official quarters.

Saloons, etc., operating in Allegheny County, Pa., under the Brooks law, 1900	1,047
Speak-easies according to licensed liquor dealers' report, 1900	2,300
Total	3,347

(g) Prohibition did not originate home-brew. The farmer made his hard cider during saloon days, the family made the blackberry wine, the grape wine, and the persimmon beer during saloon days. Prohibition did not originate, institute, or establish the home-brew department. Families have been engaged in that pastime ever since the family existed. Education, enlightenment of conscience, public opinion, common decency, and social respectability will destroy even those things.

When it is stated that there are more home-brewing homes than ever before you may rest assured that the statement needs qualification. Stronger words could be used. The statement is the exaggeration of enthusiastic alcoholic propagandists. So far as an accurate statement is concerned, it is untrue.

It may be true of a certain social clique interested in repeal or the repudiation of the Consitution, law, and order.

(h) Prohibition did not produce the crime wave. You must look to the war, the neglect of the Gospel, and the general moral decline of the people. If the preachers were preaching the Gospel and enforcing in a doctrinal way the teachings of the Ten Commandments the crime wave would be reduced in power.

Remember another great fact: Prohibition did not produce the crime wave, neither did it produce the revolt against the eighteenth amendment. The revolt against the eighteenth amendment and against the prohibitory laws is a part of the general revolt against law, order, and authority. Those who assert the eighteenth amendment is responsible for the crimes of the country know they are misstating the facts. They are using the eighteenth amendment as an excuse. It is not a cause. Syndicated and organized crime in this country began before the eighteenth amendment was put into the Constitution.

6. Let us talk for a few minutes about some of the benefits that prohibition has produced.

In 1914 we consumed 2,252,272,765 gallons of wine, beer, and distilled spirits, plus the hundreds of millions of gallons of illicit spirits. In 1920, six years afterwards, we consumed only 306,000,000 gallons, a reduction of practically 2,000,000,000 gallons. In 1930, 16 years afterwards, we consumed about 2,000,000 gallons, a reduction of 300,000,000 gallons in 10 years.

The best research opinion is that the cost of drink to the people of the United States for the four years prior to prohibition was (conservatively estimated) $2,000,000,000 per year—this is, taking the price of beer at 5 cents per glass and whisky at 15 cents per glass, the price paid for these liquors about this time. This is counting the bill on the amount of liquor produced during the years 1914 to 1919 in the United States.

Remember when this country was consuming 2,250,000,000 gallons of intoxicating beverages that did not include the millions of gallons manufactured in the homes, in the moonshine stills, and in other places. It is asserted by the advocates of repeal that we are consuming 800,000,000 gallons of intoxicating beverages now. Of course, sensible people know that it is impossible for them to make such a statement with any degree of accuracy. When they make the statement on the theory that this is the first time the illicitly manufactured intoxicating beverages were used, they know they perjure themselves. If we consume 800,000,000 gallons of illicitly distilled beverages now, there were at least that many or more gallons of illicitly distilled beverages which should have been added to the 2,250,000,000 of legitimately distilled beverages under the saloon days. Of course, they know their claim is extravagant, inaccurate, and made for propaganda purposes. Mr. Woodcock does not assert that but he states it is assumed.

But, if they admit they are distilling that much, they in that admission confess that we have reduced the manufacture and

consumption of intoxicating beverages practically 2,000,000,000 gallons, according to their own figures and reasoning. Prohibition has been a benefit beyond any man's power to refute the statement.

The bank deposits show the following facts:

Bank deposits and industrial insurance

(Report of the American Bankers' Association, 1929)

Comparisons of the last five normal wet years with the five last normal dry-year periods.

Years	Number of depositors in banks	Per capita savings
1912–1916	[1] 12,375,000	$90.00
1922–1926	[1] 39,150,000	188.00
Up to date, June, 1930	[1] 46,750,000	400.00

[1] Approximate.

INDUSTRIAL INSURANCE

Comparisons of the last six normal wet years with the last six normal dry years.

Years:	Amount
1914–1919	$5,000,000,000
1920–1925	12,000,000,000
1926–1930	100,000,000,000

In 1919 the total individual deposits in savings banks amounted to over $13,000,000,000. In 1928 these total individual deposits had climbed to the sum of $28,500,000,000. In 1930 there are over $30,000,000,000 in individual deposits. Do you want to close the deposit boxes and open the saloon cash registers?

Let us remember one great economic fact: A dry nation is a consuming nation. One European nation spends annually on its drink bill $1,500,000,000. That nation is suffering because of its enormous unemployment situation. If that amount of money spent on intoxicating beverages was employed in legitimate channels, their economic condition would be changed. This nation has increased its purchasing power $5,000,000,000 per year since 1920. This nation would not have on deposit to-day practically $30,000,000,000 if it were not a prohibition nation.

7. The law can be enforced, and it is being enforced. The following records prove that fact:

The record of arrests and convictions for violation of the national prohibition laws and State prohibition laws shows—

Percentage of cases in which convictions were obtained	83⅓
Percentage of cases in which there was failure to convict	16⅔

The figures for 1929 were as follows:

Year, 1929:	
Arrests by Federal agents	66,878
Arrests by State agents	11,156
Total arrests	77,034
Convictions	56,546

The above figures show prohibition enforcement more successful than enforcement of other Federal laws against crime.

Department of Justice records show for the year 1929:

	Per cent
Convictions on narcotic cases	83
Convictions on Mann Act cases	73
Bankruptcy cases, convictions on	47
National-bank cases, convictions on	64

The law can be enforced. Mistakes have been made in law enforcement. They were made because the first appointees were political appointees, and in many instances corrupt men were intrusted with the duty of enforcing the law. They were brutal, inhumane, unreasonable, and illegal in their practices. The Government does not require Federal agents to commit crimes to enforce law.

Those evils and abuses on the part of corrupt officials, incompetent and inhumane officials, have been corrected and will not be permitted under the supervision of the United States Attorney General, Mr. Mitchell, who is one of the finest attorneys the United States has ever had. Corrupt officials will be driven from power. Under his wise administration a sane, legal way of enforcing the law will be the practice.

We have enforced the statute against beer 90 per cent; against wine, 80 per cent; and against hard liquors, 75 per cent. The law can be enforced and will be enforced under Mr. Mitchell's instructions.

8. Who is objecting to the enforcement of the law? Who is violating the law? Did the liquor forces ever try to enforce law? Men are violating this law from selfish reasons. They are really rebelling against legal authority, but such rebellion against law and order is not new. Let me recite Washington's words, which, no doubt, are applicable to-day:

"If the minority, and a small one, too, is suffered to dictate to a majority, after measures have undergone the most solemn discussions by the representatives of the people, and their will through this medium is enacted into a law, there can be no security for life, liberty, or property; nor, if the laws are not to govern, can any man know how to conduct himself with safety. There was never a law yet made, I conceive, that hit the taste exactly of every man or every part of the community; of course, if this be a reason for opposition, no law can be executed at all without force, and every man or set of men will in that case cut and carve for themselves, the consequences of which must be deprecated by all classes of men who are friends to order and to the peace and happiness of this country."

Let us revert again to the question: Who is advocating repeal? Why the conspiracy against the Constitution and the enforcement of its provisions? Are we to be controlled by the wine interests of France, the beer interests of Germany, the liquor interests of Great Britain, and the alcoholically interested people of America? Is sobriety, prosperity, peace, and progress to be surrendered to these people?

You must admit that there is a deadly conspiracy against the Constitution at the present moment and that conspiracy comes out of one of the three reasons previously mentioned. It is selfishness, it is personal appetite, it is personal gain, or it is general rebellion against law and order. It is not in the interest of temperance, law, and order.

Why the conspiracy against the Constitution, and why this attack upon the President of the United States? He is making the hardest fight that has been made since President Wilson faced the invisible government. Every law-abiding citizen ought to be loyal and faithful to the President of the United States, Mr. Hoover, regardless of his political or personal opinion. He is fighting one of the greatest battles that has been fought. This conspiracy is for the purpose of wrecking the parties and destroying party government in this country. The conspirators have already put the beer cap on one political party and the bar-room apron on the other. They will go like the Whig and other parties of the past. Sixty-five per cent of the people are sane, sober, and dry. Again let me ask, Why the conspiracy?

They desire to create a whisky bloc in this country in order that they may nullify the Volstead Act and introduce light wine and beer. They forget that it is impossible to introduce light wine and beer without introducing the harder brands of intoxicating beverages. Men do not become drunkards by beginning with the use of hard liquors, they become drunkards by beginning with beer and wine. It is impossible to make a temperance society out of a brewery or a Sunday school out of a winery. Those institutions were never intended to produce temperance, sobriety, prosperity, and happiness. They were for the purpose of filling the coffers of their owners, regardless of the poverty produced in the homes of their customers.

9. The laws shall be enforced for the following reasons:

It is folly to say that you can repeal the eighteenth amendment and turn the authority for the regulation of the liquor traffic over to the States. It is folly to say that you could reenact the Webb-Kenyon bill prohibiting interstate traffic. It is an inconsistent position, because if you listen to the advocates for repeal they tell you that the bootlegger is thriving and that the law is being violated and therefore to enforce the law you should abolish the law. It is inconsistent because it would be impossible to prevent the bootlegger from crossing State boundaries. States that are dry, and will forever remain dry, would be invaded by the bootleggers of wet States. The condition would increase in severity until it would become necessary for the Federal Government to place its Standing Army at the State borders to protect the States of sobriety from the States infested by the bootleggers and the criminal elements produced by the distilleries and breweries within the wet States. It is impossible to conceive of such a chaotic condition. This country should never return to such a fallacious view of States' rights.

The advocates of repeal say they object to prohibition, sumptuary laws, and legal restraint. Suppose States prohibit the manufacture of intoxicating beverages, as 33 of them have done. What is the difference between State prohibition and national prohibition? They are both prohibitory regulations. Of course, the wet people are not sincere when they object to prohibition by the Government and advocate it by the States. Prohibition is prohibition, whether it be by the States or by the Federal Government.

The famous Association Against Prohibition and the famous Crusaders are men from the States that are receding from their moral obligations. Fifty-three men constitute the marvelous Crusaders and Anti-Prohibition Association. Eighty-four per cent of the association's income is contributed by the citizens of New York, New Jersey, Pennsylvania, and Illinois, four States that are making an attack upon the Constitution. They confess they have spent over a million dollars. Marvelous temperance forces! Their theories and practices are inconsistent with good citizenship, law, order, and decency.

10. The Eighteenth Amendment should not be repealed. There are many reasons why it should not be repealed. Let me call your attention to one controlling reason:

Those who are advocating repeal are talking about the work of the bootlegger and what he is doing to the country. They tell you that a large percentage of the automobile accidents are due to intoxicated people. Let us reason that out for a few minutes. Last year we killed 31,000 people with automobiles and we injured 1,000,000 people. The economic loss from motor accidents is stated to be $850,000,000 for the year 1929. Suppose you repeal the eighteenth amendment and flood the country with intoxicating beverages, how many automobile accidents would you have?

You must prohibit the manufacture and sale of intoxicating beverages, or you must prohibit the manufacture of automobiles.

Which are you going to prohibit? You can not put gasoline in the automobile tank and alcohol in the drivers stomach and coordinate the two. It can't be done. If you were to revert to the old days with breweries and distilleries in every State and in many counties, and saloons on every corner, you would kill hundreds of thousands of people. No intoxicated man can drive an automobile. If the logic of the advocates of repeal is true, namely, that a certain percentage of the present enormous death rate from automobile accidents is due to bootleggers' whisky, what would be the result if you manufactured and sold it without restraint? The automobile business in this country is one of the biggest in the country. There are 25,000,000 automobiles on the streets to-day. The business amounts to billions of dollars. We have billions of dollars invested in the business, in the manufacturing plants. They answer: Europe drives machines and sells liquor. The rest of the whole world has only five or six million machines, and our conditions are different. We have 25,000,000 machines.

Remember, there are only about thirty or thirty-one million machines in the world. America has 25,000,000 of them on the streets. The following tables give registrations of January 1, 1930, of some of our large cities as compared with foreign countries. Remember, our cities compared with foreign countries:

	Total vehicles registered	Population
New York City	733,191	6,017,000
Chicago	519,100	3,250,000
Los Angeles	514,010	1,468,000
France	1,240,000	
Germany	609,030	
Austria	37,550	
Belgium	137,500	
Canada	1,168,188	
Denmark	100,625	
Sweden	144,519	
Switzerland	71,916	
North Ireland	24,664	
Scotland	118,472	
Wales	61,181	
England	1,242,839	

You can see from these tables that with the exception of France, Canada, and England, New York City and some of our other cities have more registered automobiles than any country in the world.

You can not put 25,000,000 machines on the crowded streets and boulevards of this country without prohibition of intoxicating beverages without killing hundreds of thousands of people. There is no comparison between this country and the rest of the world so far as the automobile problem is concerned.

Every automobile manufacturer knows that you must either prohibit the manufacture of automobiles or you must prohibit the manufacture and sale of intoxicating beverages. Which do you want? Peace, prosperity, and automobiles, or distilleries, breweries, saloons, and unlimited license to buy and sell liquor and no automobiles? You can not coordinate gasoline and alcohol and have safety on the streets, prosperity in the homes, and unmolested furnaces in the factories.

There are more than 2,000,000 high-school boys and girls to-day that owe their present educational training to prohibition and sobriety in this country. Do you want to increase the schools or do you want to increase the breweries and distilleries?

You can not have the advanced, efficient mechanical and scientific age which you now have and have the breweries and the distilleries. Which do you want? Do you want the manufacturing plants, the automobile plants, factories, and churches, or do you want the brewery, the winery, the beer garden, and the saloon?

Never mind what they say about the violation of the law by respectable citizens and others. The fact remains that the benefits under the eighteenth amendment are indescribably great. Do you want to give them up and go back to the horse cart, the corner saloon, the brewery, and the distillery, or do you want the boulevard, the garden, the flowers, the schoolhouse, the happy homes, educated children, industrious husbands, and contented wives? Which do you want? You may have one or the other, but you can't have both.

For me and my house we will take the peace, the prosperity, the automobile, the factory, the schoolhouse, the happy home, the church, and the contented family, and forever eliminate the distillery, the brewery, the winery, and the beer garden.

Syndicated vice, organized crime, and undesirable forces have made their attack upon the Constitution, upon law, and Government. They have declared war on decency, sobriety, righteousness, and the judicial department. They have rebelled against law and authority.

I accept their challenge and swear by all the powers possible that law, order, and decency shall be sustained if it is necessary to fill the gutters of the cities of this country with human blood. We shall never surrender to vice. We shall never admit that syndicated crime can use the eighteenth amendment as an excuse to carry on its warfare against authority, law, order, and constitutional government. The cohesive power of righteousness is greater than the cohesive power of wickedness. The American flag shall never be stained, the Constitution shall never be torn to pieces by corrupt hands, and law and order shall never be destroyed by the forces of evil.

America is a law-abiding, liberty-loving country and shall forever remain such, regardless of thirsty crusaders who are attacking the Constitution, law, order, and good government.

I represent the United States Government. I believe in the Constitution. I shall uphold the hands of our fearless, patient, and tireless President. I believe in party government and would like to cleanse the political parties. I believe in law enforcement; I believe in the unrestricted school, the happy home, the peaceful family, the loving husband, the devoted wife, and the unafraid child; consequently, so far as my power and influence are concerned, law shall be enforced and the Constitution shall be sustained. The Government shall be respected, and prosperity, peace, and happiness shall continue under the eighteenth amendment.

INAUGURAL ADDRESS OF GOVERNOR RITCHIE

Mr. TYDINGS. Mr. President, on last Wednesday Gov. Albert C. Ritchie, of Maryland, was inaugurated for his fourth consecutive term. When that term shall have been completed he will have eclipsed all records for continuous service as governor of a State in the United States. Upon that occasion he delivered an inaugural address dealing largely with national matters. It is an excellent paper, and I think it would be well if it could be read by everyone. I therefore ask that it may be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the Baltimore (Md.) Evening Sun, January 14, 1931]

RITCHIE SPEECH CALLS FOR INDEPENDENCE IN BUSINESS, GOVERNMENT—DELIVERING FOURTH-TERM INAUGURAL ADDRESS OVER RADIO CHAIN, HE RECOMMENDS MARYLAND'S POLITICAL PHILOSOPHY TO THE NATION—FINDS PARADOX OF FEDERAL SYSTEM'S INCREASED POWER INCREASING ITS WEAKNESS

ANNAPOLIS, January 14.—Following is the text of Albert C. Ritchie's address before the State legislature to-day, delivered over the national radio chain of the Columbia Broadcasting System and over Station WBAL, of Baltimore, and inaugurating his fourth term as Governor of Maryland:

"Members of the General Assembly of Maryland, ladies, and gentlemen, on this occasion of my fourth inauguration into the high office of Governor of Maryland it is natural that I should feel profound gratitude to the people who have thus signally honored me. I do—above and beyond everything else. And I confess, too, to a very real sense of humility, born perhaps of the knowledge that even though I do the best I can for the people of my State, that can be but a poor return for all they have done for me. But that best, such as it is, shall be yours.

"In my message last week I discussed in detail what seem to me to be the financial and governmental questions which confront the State at this time, and which the legislature will consider.

SEES MARYLAND'S TRADITIONS SPREADING

"To-day it may not be inappropriate to speak of some of those things which underlie the Maryland theory of government, because I believe the country is entering a decade which will see a new economic and political dispensation in which the ideals and principles incarnate in our Maryland traditions and institutions will find fulfillment.

"These traditions are toleration in all things and to all people; ordered liberty for the individual and the right to follow his own pursuits and to secure his own happiness in his own way, so long as he does not interfere with the like rights of others or the recognized sanctions of society; and a self-governing State, free to settle its local problems in conformity with the needs of its people, who should be unhampered by an excess of government from within and by undue Federal supervision or interference from without.

"These, after all, are the principles on which our National Government was builded. Maryland through the stretch of time has been steadfast to them. The National Government has not.

FINDS US AWAKING BELATELY

"If it be true that this is a period to try men's souls, it is also one to open their eyes. If it seems incredible that so complete a collapse of prosperity and so far-reaching a breakdown in law observance have come upon us, it is equally incredible that we should have so long been blind to our political and economic mistakes which have at least contributed to this result, if they have not caused it.

"It was only natural that the Civil War should have been followed by nationalistic tendencies and by a consequent and inevitable increase in the exercise of Federal power.

"The surprising thing is that this tendency should have progressed so long and extended so far without being halted by a demand that the country return to the safe harbor of the Constitution and the Bill of Rights, and that we be free men and free women again.

"The concrete expressions of this march toward centralization are all around us. We see it in the vast expansion of governmental control over transportation and communication and in a thousand regulatory, inspection, and restrictive laws.

GOVERNMENT COMPETES IN BUSINESS

"We see it in the entry of the Federal Government into business—the shipbuilding business, the airplane business, the warehouse business, the manufuacturing business, and what not—competing in all these fields with private enterprise, which must both pay taxes and show a profit, while Government, under the obligation of doing neither, can swallow up its losses in general accounts.

"The replacement in industry of men with machines and the growing industrialism of the age have resulted in the flow of more and more goods from our factories until the surplus can only be absorbed by an increased export trade. Yet in place of increasing our export trade the Federal Government, set upon once more, did everything that could well be imagined to destroy it, and built a tariff wall so high that it has flooded our domestic markets with an unmanageable surplus, started the migration of American industries abroad, and is bringing reprisals and retaliations from other nations with which we trade and whose friendship and good will we ought to have.

BELIEVES FARMERS' POSITION UNJUST

"The farmer is not getting his just share of the national wealth and the rewards of his labor are relatively unfair and unjust. Yet by this same tariff wall the Federal Government brought about an increase in the price of nearly everything the farmer buys at a time when the returns from his principal cash crops are the lowest in decades.

"With these factors at least contributing materially, unemployment became greater than ever before in the history of the country—and of what aid is it, let me pause to ask, that our country is dedicated to 'life, liberty, and the pursuit of happiness,' if our men and women are without employment which is necessary for food, lodging, and self-respect, and if our boys and girls who left high schools last year are unable to realize the opportunities for which they studied and worked, because jobs for them do not exist?

"What did the Federal Government—this great edifice which we have builded and to which we have been looking more and more as the almoner and fountain of relief—what did it do to avert the fast approaching storm which the accumulation of all these things was bringing to a head?

HOLDS WASHINGTON HELPED BRING ON CRASH

"At least the country had the right to expect from that quarter economic and financial leadership which would adopt some kind of corrective measures. Instead of that, there was not even the 'world-wide' alibi so popular in high circles. On the contrary, there began a series of inflationary statements and actions which incited, or at least intensified, the crash of 1929, and before the débris from that could be cleared away the Federal Government followed it up with unsupported and misleading statements promising an early, if not immediate, return to prosperity, which has not yet materialized.

"There has also been developed the conception that law is no longer a barrier protecting the rights of the individual against any who would invade them, but that it is a scheme of social control to regulate human conduct and relations and to secure the moral well-being of the individual by forcing upon all the people the social precepts and ideas of some of them.

PROHIBITIONS CULMINATE IN EIGHTEENTH AMENDMENT

"Armed with this strange and un-American doctrine, organized political blocs, leagues, associations, groups, and societies descend on Washington for increased power to the Federal arm, increased access to the Federal Treasury, and increased restrictions and prohibitions on the rights of mankind.

"The high-water mark of all this was national prohibition as imposed by the eighteenth amendment, and no matter what the findings of the Wickersham Commission may be they can not end nor can they minimize the injury to the cause of reasoned temperance, the unhappy temptations to the youth of the land, and the lawlessness and disregard for law which have resulted from putting prohibition in the Constitution, where it ought not to be, instead of leaving the question to the States, where it ought to be.

"There was a time when it was regarded as a sort of quasi-treason to talk about personal freedom in this connection or to speak of the ideals of State sovereignty and of the integrity of constitutional rights in dealing with the subject. That time has gone. People in high places are bold in advocating these doctrines now.

SUCH HAVE BEEN STATE'S VIEWS 10 YEARS

"There is nothing new about Maryland's advocacy of them. For 10 years the Maryland view has been that the whole problem should be turned back to the States so that each State might have the opportunity of settling it in accordance with the needs of its own people and be protected by the Federal Government against interstate shipments which would contravene its laws. We have been steadfast in this position when others who now embrace it and acclaim it lacked either the courage or the conviction to declare it.

"Is it any wonder if all these things have caused a growing loss of confidence in centralized government and a growing conviction that Washington is not the cure-all of our ailments?

BELIEVES PEOPLE SEE POLICY'S WEAKNESS

"I believe that the awakening has come and that the people are beginning to see that government has undertaken too much and is interfering too much with the normal activities of life and the vital processes of society and business. They begin to see, I believe, that an excess of power can breed an excess of weakness, and that in the widening circle of the Federal Government's powers there is always the play and the counterplay of political parties and political factions governed by political tactics.

"Step by step we have seen the traditional ideals of self-help and self-autonomy of the States undermined and in most cases the relief secured is illusory. It is conceived in politics and for politics and at best falls where it listeth. All this undermines the national stamina.

"By undertaking too much and stepping in too often where it had better stayed out, government itself has helped to create the present crisis. There have been too many experts and advisory commissions. There have been too many noble experiments. There has been too much interference, regulation, and supervision in realms where the proper forces, if left free to work, could have worked to a better end.

POINTS TO EXCESS OF NOBLE EXPERIMENTS

"By this I do not mean to convey any sense of sympathy with those who are opposed to the necessary regulation which government must exercise over the operations of such public utilities as the railroads and the giant combines of power companies in order to protect the public interests. Nor do I mean to comfort those who would thwart the proper and effective application of such necessary regulatory measures by obstructive tactics. What I am referring to are those excursions of government into fields in which government does not properly belong.

"We have had too much government and too much leaning on it. Government has grown too cumbersome to be effective, as well as too costly and arbitrary, and too much shot through with the spirit of autocracy and the inner circle.

SEES A DAWNING OF REVERSE PRACTICE

"I believe that Federal aggrandizement has reached its high-water mark and that the present crisis will further a reverse process. The inability of the Federal Government to shape or control the forces or cure the ills which brought the crisis about, and its palpable impotence in the hour of disaster, are awakening the people to the defects of overcentralized power and to the virtues of a larger measure of self-help and localized government.

"In Maryland unemployment, while happily not so acute or extensive as it is in many sections of the country, is, of course, a major question.

After all, the problem of a stable prosperity, as I see it, would be largely solved if that great complex we call business can be persuaded to exercise a higher order of economic statesmanship and to acquire a clearer conception of the practical aspect of politics and of government.

MORE INDEPENDENCE IN BUSINESS FORESEEN

"I believe there is hope of that. I have a feeling that henceforth business will lean less on government and that not again can the carefully considered advice of a thousand trained economists be safely treated with political contempt.

"Surely business must realize now that the kinship between prosperity and political parties is not nearly so intimate as the politicians would have us believe and as business for too long was wont to assume. It must realize the need of putting its own house in order and not waiting until government is forced to step in and do it. It has duties and responsibilities not only to the red and black of its balance sheets but to the people at large and to the social order in general.

CALLS GOVERNMENT INTERVENTION POLITICAL

"If, as I strongly believe, business should be kept as free as possible from governmental interference, it can deserve and achieve this freedom only by developing a higher order of self-government and by tackling those problems which are of its own making instead of passing them on to government. It certainly must know by this time that the intervention of government in its affairs is largely a political intervention which, with the best of intentions, is more likely to do harm than good, and that government can in no event be any wiser than the fallible men who happen to constitute it.

"Industry complains of government in business, and then powerful interests insist on writing its tariff bills, flexible and inflexible, and thus put government into business in its most obnoxious forms. It puts its billions into public utilities and then pits propaganda against politics, instead of applying to its own affairs an enlightened business statesmanship to which the public would respond. Instead of looking upon our natural resources as a heritage of the people, here and to come, there is the tendency to exploit them for the greatest possible immediate profit.

SAYS IT IS A DUTY TO STOP UNEMPLOYMENT

"Just as many of our present ills are due to an unnecessary and excessive usurpation or delegation of Federal power, and could be cured by a larger measure of local home rule, so business by the exercise of a more enlightened self-government of its own could throw off the incubus of excessive governmental interference. In this phase of self-government lies the safety and stability of our industrial order.

"For instance, take the present conditions of unemployment. If our economic system can produce this and is unable to change it, then something is wrong with that system. There must be an antidote to communism. This, I believe, is to be found in aiding the disadvantaged man to his feet. The more helpful you are to those who need help, the more you offer sound education to the illiterate, hospital care to the sick, and a chance to the

under fellow, the more difficult it will be for communism and socialism to secure a foothold.

"Some time, somehow, the problem of unemployment will be answered. What is necessary now is for business to recognize that primarily the problem belongs to it and not to the State.

PUTS THE PROBLEM UP TO INDUSTRY ITSELF

"Industry has worked out and taken over the problem of compensation for its own accidents. So it should work out and take over the problems of labor turn-over and involuntary unemployment. Industry should evolve its own forms of prevention and put the burden of this on its own economic surplus. Some organizations, like the General Electric, are already doing this. With our machine economy and labor-saving devices we have the right, if our economic system is sound, to expect the burdens of labor and the uncertainty of employment largely to decrease. The day should not be far off when men and women need work fewer hours and suffer no loss of income.

"But now people are becoming tired of hearing about justice and liberty and equality and the old conjure words. They want to know how to get a job and how to prosper. Business statesmanship should find and show the way.

THINKS WE WILL EMERGE WITH LESSON LEARNED

"I entertain no doubt that in due course we will find a way out of our difficulties and emerge from the present crisis all the better for it. Let us not accept any gospel of despair. Our ultimate prosperity is as certain as the rise and fall of the tides. In spite of evidences to the contrary, the times are not completely out of joint. If we have had to face facts showing our weaknesses, let us not overlook facts showing our strength.

"It can not be that a nation should be poor because it is too rich, and that we should long have an excess of business disaster, unemployment, and even suffering, when we have an excess of commodities, of production, of money, and of real wealth. Something has gone wrong temporarily with our economic and financial and political machinery, or with its engineers, or both, but it is foolish to think that the whole plant has been wrecked or permanently crippled.

"The foundations on which real prosperity must build are sound and will prove even more sound because of our present experience. Here is a Nation of 120,000,000 people with an infinity of wants and desires; ambitious to succeed; believers in the gospel of work; filled with the spirit of courage, initiative, and enterprise; determined to maintain and lift the standards of life; willing to labor, to buy, and to sell, to use the railroads and utilities, to spend their substance on luxuries and diversions; and living in a land of unlimited resources and opportunities.

OUR FATE INTERLOCKED NOW WITH EUROPE'S

"He must have little faith in his country or little vision of the future who can not foresee a prosperity greater than ever.

"It will, I believe, be a prosperity allied with the economic restoration of Europe. The world now is too closely knit together for even this great land to contemplate its own destiny alone. The countries of Europe are our debtors. We will not prosper if they are prostrate. Our permanent economic progress involves helping them, and the time is near when further consideration should be given to the status of our international debts.

"The question need not be approached on the basis of world responsibilities alone, although certainly some measure of international leadership is required of a country with the power and the resources of our own. But even on the basis of profit and loss we should not forget that sometimes present loss may be ultimate profit.

APPEALS FOR RESPECT FOR RIGHTS OF OTHERS

"I must conclude. In doing so, let me say that, after all, economic values are not the whole of life. It is well to remember that in the last analysis most of the major ills of society are probably due less to bad economics, bad politics, bad government, or bad laws than to such elemental weaknesses as human greed for wealth and power and human indifference to the rights of others. The catchword of the hour is "economics." We speak of economic laws as if they were part of the order of nature, even though there is almost universal disagreement as to what they are. Perhaps we test life too much by the economic yardstick.

"Anyway, I enter upon my fourth term as governor with the conviction that in spite of drought and depression our future will be even more glorious than our past. There is so much that can be done to make this a greater and better Nation, and more and more is being done. In the doing of it I like to feel that Maryland is both an example and an inspiration.

FINDS MARYLAND TRUE TO IDEALS

"Our people have always stood for the things that are worth while, and have been steadfast for those ideals, social and political, which gave birth and nurture to this great Republic. We take pride in our traditions and love of freedom, and in the sanity, common sense, courage, and conservatism which we inherited from our forbears.

"Here we believe that government should mind its own business. We believe that the people who are least governed are best governed. We think you can not make people temperate by passing a prohibition law and that you can not make industry prosperous by putting up a tariff wall which drives manufacturers to other countries, so that they employ foreign labor there instead of domestic labor here.

"We do not believe that any makeshift economic measures which attempt to lift up any part of the population by its boot straps constitute proper governmental action. Such things will always fail.

"In Maryland we think that the people should be free to work out their own problems. What good government ought to do is see that everyone has equal access to the door of opportunity.

CHAMPIONS A "HARMONY" OF THE WHOLE PEOPLE

"Never before in the history of our country have we drifted so far away from the principles of good government and the conceptions of our organic law. This will-o'-the-wisp has been luring us on each day, granting the Government more and more power over our daily lives, and unless the process is stopped it will some day destroy our whole governmental edifice, which was builded to assure happiness at home and peace abroad.

"So Maryland has much to offer in its tried and tested political philosophy, because, after all, it embodies those virtues which, with unity and harmony, make for greatness in State or Nation.

"One hears much about harmony and unity and cooperation in political parties, but the real effort to which mankind should address itself is harmony and unity and cooperation among all the people of the State and Nation—between capital and labor, between city and country, between industrialist and farmer. Let us work and pray for the dawn of that day."

RECESS

Mr. SMOOT. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until to-morrow, Saturday, January 17, 1931, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

FRIDAY, JANUARY 16, 1931

The House met at 12 o'clock noon.

Rabbi Julius Mark, Vine Street Temple, Nashville, Tenn., offered the following prayer:

Humbly, reverently, fervently do we approach Thee, O Father of us all, to invoke Thy blessing upon the Members of this House, chosen by millions of their fellow citizens to guide and guard this great Republic. Cognizant of their heavy responsibilities and recognizing their human limitations, they turn their hearts to Thee for inspiration and their minds for wisdom. In the spirit of the glorious traditions of our blessed country, may they, true to their ideals, dauntless in their battle against injustice and wrong, ever be guided by this twofold motive—the welfare of the people of the United States and amity and good will toward all the nations on earth.

Earnestly we ask Thy blessing upon him who by virtue of his exalted office is the symbol of American ideals, the President of the United States. Bless Thou his counselors and advisers; bless all who have won the confidence of their fellow citizens and been intrusted with the sacred obligations of public office. May they deal honorably, legislate wisely, and labor unselfishly, so that justice may never be withheld or delayed, truth may ever be our goal, and love unite the hearts of all Americans into a glorious bond of brotherhood. For to-day, as ever, "righteousness exalteth a nation."

Bless Thou our country, O God, that it may ever be a land in which a free people is worthy of a free government, a government which, in the words of the immortal Father of our Country, "gives to bigotry no sanction and to persecution no assistance," a government loyally supported by a law-abiding citizenry. Guided by leaders with strength of character, breadth of vision, unbounded love, and unimpeachable integrity, may our Republic go from strength to strength, a blessing to ourselves, a shining example of liberty and democracy to all the world. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal Clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 9991. An act to fix the salary of the Minister to Liberia.

NATURAL RESOURCES OF SOUTH CAROLINA

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks concerning the natural resources of South Carolina and to include therein a short extract from the recent annual message of the Governor of South Carolina relating to that subject.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, I crave a few minutes of time to call attention to the discovery of marvelous and rich resources in South Carolina.

When I was a schoolboy I was deeply impressed in the study of geography with the fact that other States have abundant supplies of coal and South Carolina has none. I was also struck by the fact that many other States had abundant supplies of oil and natural gas, which have made their citizens very rich, and yet South Carolina had none. It was a striking fact that many other States had rich and abundant stores of precious metals, like gold and silver, copper and lead and zinc stored in the earth, and yet South Carolina had none. Other States had abundant supplies of virgin forests and South Carolina's forests are nearly all gone. Other States had rich deposits of sulphur and of salt and of marble and of limestone, and yet South Carolina had none.

GREATER POWER THAN MUSCLE SHOALS

But, Mr. Speaker, in the last few years we have begun to realize that South Carolina has other resources as valuable as any of those mentioned if we but improve them. In the first place, we have several large rivers crossing our State and descending from their mountain sources, across the Piedmont belt, and finally slowing up in the coastal plain, from which they pass into the sea. Along these rivers, from their sources to their mouths, are numerous places where hydraulic electric power is now being generated in vast quantity, and there are many more places where water power can be economically developed. We have all heard a great deal for the last 12 years about Muscle Shoals, and it has been held up as one of the great water-power sources of the world. Yet the world has heard very little of the fact that in South Carolina we are just completing near Columbia, S. C., a water-power project known as the Murray Dam on Saluda River where there will be available about 240,000 primary horsepower. When we realize that there are only about 88,000 primary horsepower at Muscle Shoals we see by comparison that this $15,000,000 project at Columbia, S. C., which cost only about one-third of the Wilson Dam, will have three times as much primary power as the Wilson Dam. Combining these two ratios, we see that for every dollar expended in South Carolina on this water-power project we develop nine times as much primary power as was developed by the Government at the Wilson Dam on the Muscle Shoals. That is some commentary upon the efficiency of private enterprise when compared with a Government enterprise.

But, Mr. Speaker, more recently still have we discovered another natural resource in South Carolina, which, if wisely and energetically developed, will place us in the forefront as to prosperity and progress and wealth. This resource consists of the high percentage of mineral content taken up by plants growing in South Carolina soil. It is a fact that the mineral contents of the soils differ in all parts of the world. As a matter of fact, the soil differs in different counties as well as in different States and in different countries. Now, it so happens that fruits and vegetables produced in South Carolina soils take up through their roots a very high percentage of valuable minerals essential to the building of healthy human bodies, to the preservation of health, and to the restoration of health where health has declined due to the absence of these essential minerals.

Recently there was established a commission known as the South Carolina National Resources Commission, headed by Dr. William Weston, of Columbia, S. C., but the laboratory work is conducted by Dr. Rowe E. Remington at Charleston, S. C. This laboratory for the research of food is said to be one of the best equipped of its kind in the world. It is conducted in connection with the South Carolina Medical College, an old and highly reputable institution. Doctor Remington, with a staff of able assistants, has analyzed hundreds of samples of foods from all parts of our State and of other States. He has invited the chemists of other States and other countries to come to his laboratory to check his analyses and to verify or disprove his conclusions. I am informed that several such eminent chemists have visited his laboratory, among them a distinguished scientist from Great Britain, and that all of these visitors have approved of his methods, have checked over his conclusions, and have confirmed his findings.

Dr. William Weston, the director of this commission, is a physician of wide experience, of great natural ability, and of ample scientific training. His standing is vouched for by the medical profession not only in South Carolina, but in the United States. He says that he is willing to stake his reputation upon the truth of the conclusions to which the commission has arrived. I can not commend too highly the magnificent service which Doctor Weston is rendering to South Carolina. The secretary of this commission is Mr. John K. Aull, a former newspaper man of ability and training with a fine enthusiasm for the rehabilitation of South Carolina agriculturally and economically.

THE NEW ROAD TO PROSPERITY

The revelations of the South Carolina food research laboratory point the way to the regeneration of South Carolina's agriculture. It means that in addition to cotton, and in part by way of replacement of cotton, it is possible for the South Carolina farmers to sell in vast quantities, food supplies for the great industrial centers of the Nation. With about 65 per cent of the population of the United States living in cities and in suburbs and, therefore, dependent upon the produce of farms for their support, a great market is opened up for food supplies. But some one may object that in the growing season of the spring and summer fruits and vegetables are abundant everywhere and that, therefore, the prices are low and when shipped to the markets in refrigerator cars, the freight charges often amount to more than the proceeds of the sale of the commodities themselves. That is too often true, and it suggests a different line of procedure and a different way of marketing.

Instead of marketing our fruits and vegetables during the growing season, when fruits and vegetables are abundant everywhere and therefore the prices low, we must convert our perishable fruits and vegetables into a practically nonperishable form. How can that be done? The answer is very simple. We must put up in cans, according to established sanitary and scientific methods, our fruits and vegetables and store them until the next winter and then offer them in carload lots and in attractive form to the wholesale merchants of the great cities where millions and millions of people must eat three times a day.

GOOD DEMAND AT GOOD PRICES

Then these huge populations gathered in the conjested and commercial centers learn that South Carolina produced fruits and vegetables that contain such a high percentage of such minerals as iodine, manganese, iron, potassium, and other health-giving minerals as to insure against disease, if consumed in sufficient quantities for a sufficient length of time, and to aid in recovering from disease; then these millions of people, when they go to their retail grocers for their daily food, will ask for South Carolina grown fruits and vegetables. That means that South Carolina produce will always be in demand and will, therefore, bring the top price of the market. A fair and true slogan for merchants handling South Carolina produce would be: "Eat your way to health." Too many times have we been told that we eat our way to disease and "dig our graves with our teeth." But if the people of the big cities will eat South Carolina grown fruits and vegetables regularly, they will have purer blood, sounder bodies, consequently better health. The terrible disease of goiter is prevented and in many cases cured by the

regular eating of these South Carolina grown fruits and vegetables containing a high percentage of iodine.

MILK MARKETED AS BUTTER AND CHEESE

Furthermore, South Carolina produced milk is exceedingly high in mineral content and in the most valuable vitamines. While our milk can not be shipped in its fresh form to the great centers for consumption, yet we can convert that milk into delicious butter and into appetizing cheese, and these two products of milk contain these essential vitamines without diminution in value. The growing season for grazing in South Carolina is about 250 days in the year. It is necessary to house our milk cows only about four months in the year. It is never necessary to steam heat the dairy barns in South Carolina. We can produce two crops of silage on the same land during any season. We have grasses that withstand our heat and the temporary dry spells. We have vines and grasses which remain ever green during the winter and furnish grazing for cows. The price of milk is practically the same over the Nation, just as is the price of cotton and wheat. If the dairy farmers of the North and West, such as in the State of Wisconsin, can, with their short growing season, where they must house their milk cows eight months in the year and part of that time steam heat their barns, prosper and some of them grow rich by producing milk at a given market price, so surely the South Carolina farmers, under the conditions herein contrasted, ought to prosper more and to grow richer. This is no "pipe dream" but a manifest fact. The cow feeds produced in our soil convey into the milk of the cow the health-giving vitamines which make our butter and cheese exceedingly valuable. When this fact becomes known, then the housewives of the great cities and industrial populations will ask for South Carolina produced butter and cheese, and consequently all of the butter and cheese we can produce will be taken at the top of the market price.

If the farmers, therefore, will continue, as a few of them in some sections have started to do, to diversify by producing fruits and vegetables in quantities and by producing milk to be converted into butter and cheese, and will can the fruits and vegetables, and offer all these in carload lots in the mighty cities of the North and East, our farmers will find the way out of the gloom through which they are now staggering. If they will cut the acreage of cotton 10 per cent the first year and plant that 10 per cent in fruits and vegetables to be canned and continue cutting the cotton acreage 10 per cent each year for five years, until the acreage be reduced to 50 per cent of the present acreage, then the farmers will begin to see a new ray of light. They will be living at home. They will eat enough of their own fruits and vegetables and consume enough of their own milk and butter to support themselves.

Incidentally, many of them will produce hogs for the packing houses, as well as sheep and cows. The presence of animals on our farms in great quantities will mean that our soils, now so largely depleted of their natural fertility, will be restored to their pristine fertile condition. The huge expense of purchasing millions of tons of commercial fertilizer will be eliminated. The expense of hoeing and picking so much cotton will be eliminated. Consequently, whatever cotton is produced will be a clear cash profit.

OUR FUTURE IS BRIGHT

Therefore, Mr. Speaker, the future for South Carolina is brighter than it has ever been in her history. We have just discovered our great natural resources which constitute the certain foundation for our future abiding prosperity. With abundant water power to be transmitted through electric agencies, which we hope will be cheap enough to attract industry, we can expect our population to increase in the next decade by leaps and bounds.

Our climate is unusually well suited for industry as well as agriculture. Hundreds of cotton manufacturing plants have in the last decade moved from the New England climate to the South Atlantic section, and perhaps more of such businesses have come into South Carolina than into any other Southern State. There may exist in the minds of some people an uncertain and unfounded fear that the climate in South Carolina is either malarial or miasmatic or so oppressive with heat as to induce lethargy and inaction. For those who labor under such misconception, let me cite the fact that the mean annual temperature is 63°; the average spring temperature, 62°; the average summer temperature, 79°; the average autumn temperature, 63°; and the average winter temperature, 47°. As already stated, grasses, trees, and vegetation generally grow for about 250 days in the year. Our frosts are never very severe. Building construction can go on any time of the year. For agricultural purposes the rainfall is abundant. The average annual rainfall for the entire State is about 48 inches and it is usually distributed throughout the months of the entire year with a fair degree of equality. The drinking water is of the finest freestone quality. At the foot hills of the Allegheny Mountains the average time for the first frost is November 1, and through the middle section of the State the average first frost is November 15, and along the coast the average first frost is December 1.

In the spring at the foothills of the mountains the average last frost is April 1; in the middle section March 15; and along the coast March 1. The altitude ranges from 3,200 feet at Cæsar's Head to sea level along the Atlantic coast. The average elevation in the Piedmont section is about 1,000 feet and throughout the coastal plain from 300 to 500 feet. The health statistics for South Carolina show an unusually high average for absence of diseases and magnificent record for low mortality. Consequently the health of people residing in South Carolina is proverbially good. People can work every day in the year, being neither hindered by the heat of summer nor the cold of winter. There is a reason why industrial leaders are picking South Carolina to place their great plants.

INDUSTRY PROVIDES US A HOME MARKET

So, Mr. Speaker, the industrial population, which is already in our midst and which is fast coming to utilize our abundant power under the climatic conditions herein stated, will furnish our farmers a home market for much of their produce. These twin resources—abundant water power and magnificent soil—are the guarantee for our future greatness. The 1-crop system of cotton has certainly proven a curse. Our people are beginning to diversify, and our bankers are cooperating with our farmers in splendid fashion. We are expecting a state-wide campaign in favor of diversification. That campaign will include a program that every farmer shall produce, first of all, the food and feed for home and farm, and in addition have a surplus of fruits and vegetables, of milk, hogs, chickens, and eggs to sell.

The cotton acreage will ultimately be cut at least in half and creameries, cheese factories, potato curing houses, canneries, egg and poultry assembling plants, and packing houses for meat products will spring up in every part of the State. The natural fertility of the soil will return. The mortgages upon the farms will begin to disappear. Better barns and outbuildings will be found around every farm house. Newer and more modern homes will rise. The paint brush will be applied to the residences and to the outbuildings. A smile of contentment and confidence will play upon the faces of farmers and farmers' wives and farmers' children. The future is theirs. It may take many years to accomplish the full realization of this bright picture. But our faces are turned toward that bright future. If we do not see it ourselves, we shall pass into the great beyond with the confident expectation that our children will see it and that our grandchildren will see even a brighter realization of this picture.

Mr. Speaker, the Hon. John G. Richards is just finishing a 4-year term as Governor of South Carolina. Under our constitution, the governor can hold office but one term of four years. In a few days he will be succeeded by the Hon. Ibra C. Blackwood, of Spartanburg, S. C., a gentleman of culture and accomplishments, of statesmanlike vision and of executive capacities. Governor Richards has done his part toward helping our people to realize that a change

must be made in farm conditions. I am appending hereto a short extract from the last annual message of Governor Richards.

THE GOVERNOR'S WORDS

It is my belief that Governor Blackwood will carry on this work with the same fine enthusiasm. We are expecting that the 4-year term of Governor Blackwood will be filled with many realizations that the bright picture I have tried to paint is rapidly becoming a magnificent fact. So South Carolina does have natural resources of which the geography of my youth did not know. Great as is the historic past of South Carolina, great as is the part she has played in her history, proud as we are of her splendid traditions, glorious as is her share in the Nation's history, we are not only hopeful but we are confident that her future will be still greater. She will be rich and powerful. With a native population of Anglo-Saxon stock crossed with considerable elements of Scotch-Irish and French Huguenots, we trust the future to these Americans born and reared in South Carolina, knowing their devotion to our form of government, and their high resolution that our Constitution and our institutions shall continue as the guide and guarantee of posterity even as it has been of our forefathers.

Here are the words of Governor Richards:

The natural resources commission and the food research commission are cooperative departments. The food research commission has been established at the Medical College of South Carolina, where the State has one of the most modern and thoroughly equipped laboratories in America. It was from this laboratory, under the direction of Dr. Rowe E. Remington, recognized as one of the foremost chemists of this country, that the information of the wonderful discovery of the iodine content in our vegetables and milk came, and it was through his analysis and his discoveries, verified by other great chemists of this and other countries, that our farmers are encouraged and suffering humanity has real cause for hope.

The chemists assure us that our vegetables and milk, in fact, all foods produced from South Carolina soil, contain more iodine than food grown in any other section of this and other countries where a comparative analysis has been made. Goiter is one of the most dreaded of all diseases, and it is estimated that there are 30,000,000 Americans who are living in the goiter districts of this country, and that a large percentage of these have already contracted the disease. Chemists and medical scientists of unquestioned reputation declare that if moderate quantities of South Carolina produced foods are eaten daily it is impossible to contract the disease, and that these foods will even cure the disease when in its incipient stage. Marvelous results have already come from this discovery. Demand for South Carolina grown products is steadily increasing throughout the Nation. Canning factories are being erected, and several that have already been established are being improved and enlarged. A cheese factory and several creameries are now in operation in this State, with the promise of others soon to follow.

Gentlemen of the general assembly, I respectfully invite your careful consideration to the splendid work this department is doing, not only for the farmers of the State but for suffering humanity. Dr. William Weston, the director, is devoting his time and great talents to this work, and he is in constant communication personally and through correspondence with the leading scientists of this and other countries, and through the executive secretary, John K. Aull, with publications and business interests of the United States. The natural resources commission has associated with it an advisory board of great wealth and prominence, who are nonresidents, but who are property owners within this State. Mr. Bernard M. Baruch is the chairman, and we have reason to expect great results from the cooperation of these men.

Steadily, and for the past decade or more, the general agricultural conditions of our State have declined. Boll-weevil infestation, unfavorable weather conditions, and unremunerative prices have caused many of our farmers to despair, and thousands have deserted their farms and are seeking other means of support.

The 1-crop idea and practice has been a curse to our people, and until our farmers realize that the farm must be self-sustaining, and that this can be accomplished only through intensive farming and diversification of crops, there is little of hope. However, I am positively convinced that the natural resources commission has the solution, and that the discovery of iodine content in our vegetables, milk, and other food crops will soon revolutionize our agriculture, enhance the value of our lands, and encourage the diversification that will transform our farm life into one of happiness and prosperity.

South Carolina has as fine and as intelligent farmers as are to be found in any State, farmers who are prosperous and content, and these are they who make their farms self-sustaining, with a surplus and variety for the markets of the country.

This State, gentlemen, has more than 9,000,000 of idle acres. Although exceptionally fertile, and adapted to the profitable cultivation of all crops that can be grown in the temperate zone, this vast territory is to-day a liability. The work of the natural resources commission is to reclaim these barren wastes and convert them into a great asset through the introduction of diversified agriculture, and the establishment of prosperous and contented homes. The wonderful discovery has been made. We are in full possession of the facts, and I most earnestly urge the fullest cooperation of this general assembly with the natural resources commission, so that our State may reap the rich reward that is assured us if there is intelligent, faithful, and cooperative effort upon the part of our people.

PRINTING OF PAPERS AND EXTRACTS IN THE RECORD

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from New York [Mr. CULLEN] may be permitted to extend his remarks in the RECORD by printing a resolution adopted by the American Federation of Labor in Boston on October 6 to 17.

Mr. UNDERHILL. Mr. Speaker, reserving the right to object, it is understood pretty clearly by the Members of the House that resolutions have their proper place of reception and that putting them in the RECORD encumbers the RECORD and does no particular good except to flatter to some extent the individual or the organization. In order that the RECORD itself may show the situation, I am going to briefly give the House a few figures which are staggering in their character.

The largest printing bill of the Government is the printing of the CONGRESSIONAL RECORD, and last year the cost was $758,693.94, over three-quarters of a million dollars. This was an increase over the previous year of more than $175,000.

There are only 38,000 copies of the RECORD printed and they are distributed in this way: Eighty-eight copies to each Member of the Senate, 60 copies to each Member of the House, and there are only 520 paid subscriptions, showing how much interest the public has in the CONGRESSIONAL RECORD.

When the CONGRESSIONAL RECORD was first established by the Congress it consisted entirely of the proceedings of the House itself, a record for the Members and for their particular use. Later on there began to be abuse, until it has reached such proportions that to-day it is a scandal and a burden upon the taxpayers which is unjustified. I have tried almost alone, and yet I have had the support of practically the whole House, to protect the RECORD from the insertion of matters that have no connection or a remote connection with the business of the Congress. I have information that this has really reduced the size of the RECORD materially, and thus far my action has been justified. It has not been a pleasant duty—and I have considered it a duty—to object when my colleagues have asked permission to insert editorials from their home newspapers or letters from constituents or resolutions from organizations in their vicinity or other matters of a political and extraneous character. I think the result justifies my continuing this practice. I have tried not to show any favoritism toward any friend or to punish any enemies, if I have any. It may result in bringing me some enemies, but in public life we are all obliged to make enemies from time to time.

Mr. STAFFORD. Will the gentleman yield?

Mr. UNDERHILL. In a moment, when I have finished my statement.

I propose to continue this policy and I want to give notice to the House, although it may be considered a usurpation of a privilege, I shall continue to object to all of these matters that I think have no place in the RECORD and cause a burdensome tax upon the people of the country.

I now yield to the gentleman.

Mr. STAFFORD. I know of no one who has given more thoughtful consideration to the character of material, extraneous to the proceedings of the House, that should go into the RECORD than the gentleman from Massachusetts, and I am going to ask him whether in considering this abuse he has considered any remedy. It has occurred to me that perhaps the abuse might be corrected by referring all these requests, under a rule of this House, to some committee. Some of the material that is offered is worthy of the consideration of the Members of the House; some is of just passing interest, and some of no national interest and very little local interest. Of course, the gentleman can not be

here always to supervise, and is there not some way by which the question of whether material is proper for insertion in the RECORD may be determined in advance by some committee of the House that would pass on the propriety of the insertion.

Mr. UNDERHILL. Well, the House itself has complete jurisdiction of its own actions, but beyond that its jurisdiction does not extend. The gentleman from Texas [Mr. GARNER] who is now on his feet, offered a suggestion at the last session and I took the matter up with the Committee on Printing, both in the House and in the other body. In the House it met with some favorable response, but in the other body it was turned down immediately, as no Member of that body felt it incumbent upon him to offer objections to anything which might be inserted in the RECORD.

Mr. GARNER. Will the gentleman yield at that point?

Mr. UNDERHILL. Yes.

Mr. GARNER. I think the RECORD ought to be kept, as the gentleman suggests, but I do not think another body ought to have an advantage over this body. You analyze the RECORD and you will find that another body with 96 men have more space in the RECORD than this body, with a membership of 435.

Now, that is giving the other statesmen an advantage over the gentlemen who occupy this Chamber. That is one thing I protested against, that there ought to be some way in which we could get fair play between the two Houses.

Mr. UNDERHILL. I am in entire sympathy with the gentleman from Texas; but, gentlemen, this is our responsibility here. The criticism which comes from the press all over the country of the abuse of the RECORD for the last two years has not been directed against the House. For the first time in my recollection the press has differentiated between the two bodies and has called attention repeatedly—and I mean by the press not only the great metropolitan dailies but the small publications of the country—they have called attention to this abuse of the RECORD and have ridiculed, not Congress, but one body.

I want to say now that nothing has touched me so deeply, nothing that I appreciate more than the kindness, consideration, courtesy, and helpfulness of the Members of this body, their forgiving disposition to me in helping me in the task that is self-imposed to a certain degree.

So, Mr. Speaker, in order that the House may maintain its reputation for statesmanship which the gentleman from Texas speaks of, I must continue to object to these matters going into the RECORD.

Mr. BOYLAN. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TILSON. If the gentleman will wait for three minutes until we go into Committee of the Whole House on the state of the Union he can get all the time he wants.

Mr. BOYLAN. I have made a request, and I think I ought to be allowed to answer the gentleman from Massachusetts.

Mr. TILSON. I hope my friend will not insist on his request. If he does, there will be some one else who will insist upon answering him, and so on indefinitely.

Mr. RANKIN. Mr. Speaker, I do not know what the gentleman from New York [Mr. BOYLAN] is going to say, but, as a matter of fact, all the time for general debate on the appropriation bill is taken, and it may be two or four hours before the gentleman from New York can make his short speech.

Mr. TILSON. The gentleman can undoubtedly get what time he wants very soon.

Mr. RANKIN. The gentleman from Connecticut is not going to save any time of the House by objecting to the gentleman's request.

Mr. TILSON. All I am trying to do is to discharge my duty in forwarding the business of the House. If the gentleman from Mississippi is not willing to cooperate with me to that extent, he must take the responsibility.

Mr. BOYLAN. I made a request of the House, using about 20 words. The gentleman from Massachusetts got up and opposed my request and uses about 20 minutes of time. I merely asked for five minutes to explain my request. It is not a personal request. I ask it on behalf of the leader of our delegation [Mr. CULLEN], and surely I ought to be permitted to have five minutes to explain the request. The gentleman from Massachusetts who preceded me spoke for 20 minutes and used ten times as many words as I did.

Mr. STEAGALL. Mr. Speaker, how much time has been used in discussing the request of the gentleman from New York for five minutes?

The SPEAKER. The Chair does not think that that is a parliamentary inquiry.

Mr. SPROUL of Illinois. Mr. Speaker, I object.

MEETINGS OF COMMITTEES OF THE HOUSE

Mr. RANKIN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. We have attempted to get some veterans' legislation before the House, but unfortunately the chairman of our committee is indisposed and in the hospital. We are attempting to get legislation from the Ways and Means Committee to pay off the veterans' adjusted certificates, but the chairman of that committee is absent and we can not ascertain his whereabouts. Under these conditions I want to ask the Speaker how we can proceed to get a meeting of these committees in the absence of their chairmen.

The SPEAKER. The general rule is that a committee may establish such rules as it pleases with regard to its meetings. The gentleman may recall that the present occupant of the chair about a year ago ruled that where a committee had a fixed date of meeting, then with or without the call of the chairman, and whether or not the chairman was present, if a quorum of the committee was present on that date, which was the announced date for meeting of that committee, that quorum could transact such business as was before the committee. It is, therefore, within the power of any committee to fix a regular meeting day, and if a majority of the committee is present at that time, that majority can transact business.

Mr. RANKIN. Mr. Speaker, that would apply perhaps to the Committee on Ways and Means, but the Committee on World War Veterans has no fixed days of meeting, and there is no way for us to get a meeting so as to fix a date of meeting, since the chairman unfortunately is unable to be present and call the meeting. It seems to me that there ought to be some way under the rules of the House by which we could call the committee together and consider veterans' legislation.

The SPEAKER. As the Chair just said, under the present ruling of the Chair the committee has the power to fix a date of meeting, and if that be done, the committee may assemble without the call of the chairman.

Mr. RANKIN. Mr. Speaker, I am just informed by members of the Committee on Ways and Means that they do not have a fixed date of meeting. Neither does the Veterans' Committee. Under these conditions, how are we to secure a meeting to fix rules for convening or to fix meeting dates? I am endeavoring to find out if there is any way on earth for the members of these committees to hold meetings and legitimately transact the business of those committees.

The SPEAKER. Under the circumstances, where the chairman of a committee is ill, the Chair thinks that the committee should request the chairman that a meeting be called by the next ranking member. The Chair thinks that would be entirely proper. Or if a situation arose where a chairman refused to call a meeting, there being no fixed date of meeting, it would be in order, the Chair thinks, to introduce a resolution in the House providing for such a contingency and, perhaps, for the fixing of a date of meeting.

Mr. RANKIN. In the case of the Committee on Ways and Means, as at present, where the chairman is merely absent and can not be found, could that be done by resolution through the House?

The SPEAKER. The Chair thinks that under the rules of the House, that have been in force for more than a

hundred years, that would be the case, but the Chair suggests that it is always within the power of a committee to fix a meeting date or to provide rules under which it shall exercise its functions.

Mr. MOORE of Virginia. Mr. Speaker, am I right in assuming in the condition stated that it is not within the province of a majority of a committee to bring about a meeting of the committee in the absence of the chairman or in the absence of a fixed date or in the absence of a resolution?

The SPEAKER. The Chair took all of those questions into consideration when he made the ruling to which he has referred. Until the ruling made by the present occupany of the chair such a meeting, if it had transpired, would not have been legal, but under the present ruling of the Chair it is legal, provided there is a fixed date and a quorum of the committee is present.

Mr. MOORE of Virginia. If the Chair will permit me to say so, it strikes me it is necessary that provision be made that will enable a majority of a committee to call a meeting of the committee in the absence of the chairman or because of the refusal of the chairman to act, and I am glad to say that the gentleman from Georgia [Mr. CRISP] has introduced a resolution which will take care of that situation.

Mr. RANKIN. But it will not take care of the disabled veterans for whom we are trying to legislate and it will not take care of the legislation before the Committee on Ways and Means. The thing I am after is to get meetings of those committees at this time.

PENSIONS

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 15930) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, and that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent for the present consideration of the bill H. R. 15930, an omnibus pension bill, and that the same be considered in the House as in Committee of the Whole. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, under the reservation of the right to object, I wish to ask a question. I notice in the report on the bill that this omnibus pension bill embodies 328 private bills introduced by 131 Members. In glancing through the bill I notice that increases are made for various widows, I assume, under certain rules laid down by the committee. My inquiry is whether it is not possible, instead of limiting the raises to those for whom private bills have been introduced, to have general legislation and increase the rates of pensions now provided by general law. Under the existing practice certain persons are singled out for preferment, whose cases have been called to the attention of Members who have introduced bills in their behalf.

Mr. NELSON of Wisconsin. At the last session we passed legislation to take care of a large group of widows.

Mr. STAFFORD. As I recall, there were no widows of Civil War veterans.

Mr. NELSON of Wisconsin. Oh, yes; they were the widows of Civil War veterans.

Mr. STAFFORD. In what way was their former rate of pension increased?

Mr. NELSON of Wisconsin. We reduced the age clause from 75 years to 70 years for the allowance of the $40 per month rate to those widows whose names are on the pension roll under existing service pension laws. This provision at that time increased the pensions of 27,000 widows.

Mr. STAFFORD. The rate was not increased, but the highest rate extended to a lower age group.

Mr. NELSON of Wisconsin. General legislation is sometimes harsh, and there are many equitable cases that come in that are not covered. Congressmen feel when they are appealed to that those special, equitable cases should be taken care of, and that it is the function of the Committee on Invalid Pensions to sit not only as legislators but judicially to determine whether or not there are equities. We have adopted rules by which we are guided so that all who have these cases will be treated equitably.

Mr. STAFFORD. Then the gentleman does not believe it is feasible under the present circumstances to embody in general legislation a provision to provide for all, without the necessity of the intermediation of a private bill?

Mr. NELSON of Wisconsin. The gentleman has asked a question which is of the utmost importance. As chairman of the committee, realizing the magnitude of this pension question, I tried to have investigations started that would lay the whole matter before the country. We got along pretty well. I thought we could complete that investigation at the last session. Colonel Church, Commissioner of Pensions, was taken sick the day before he was to come on as one of the witnesses, or a few days afterward, and General Hines, another very important witness, was about worn out with testimony before committees. Therefore, I had all the papers printed in a confidential print and sent to the members of the committees for study. I have reassembled all of those investigators, something like 21. General Hines and his assistants are giving me aid with outside help. In about 10 or 15 days the hearing will begin, in which we will take up this entire subject. Remember if we are as liberal in dealing with the World War veteran widows as we have been with the Civil War veteran widows, the tax burden will be increased many billion dollars per year. Pensions for all wars now exceed a billion a year. The question is to what extent we are obligated to take care of widows who married soldiers long after the war.

Mr. SPROUL of Illinois. Mr. Speaker, regular order.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BUSBY. Reserving the right to object——

The SPEAKER. The gentleman from Illinois [Mr. SPROUL] has demanded the regular order.

Mr. BUSBY. Then, Mr. Speaker, I object. We are not going to be driven into these things.

DEPARTMENTS OF STATE AND JUSTICE AND THE JUDICIARY, AND DEPARTMENTS OF COMMERCE AND LABOR APPROPRIATION BILL

Mr. SHREVE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 16110) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes, and pending that, I would like to ask the gentleman from Alabama [Mr. OLIVER] if we shall now agree upon the time or shall we let the time run along?

Mr. OLIVER of Alabama. I think it would be better to allow the time to just run along for a while.

Mr. SHREVE. Then, Mr. Speaker, pending the motion, I ask unanimous consent that the time may be equally divided and controlled by the gentleman from Alabama [Mr. OLIVER] and myself.

The SPEAKER. The gentleman from Pennsylvania [Mr. SHREVE] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16110, and pending that, asks unanimous consent that the time for general debate be equally divided and controlled by the gentleman from Alabama [Mr. OLIVER] and himself.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Pennsylvania [Mr. SHREVE].

The question was taken, and the motion was agreed to.

Mr. BOYLAN. Mr. Speaker, I ask for a division.

Mr. TILSON. It is too late. The Chair has announced the vote.

Mr. BOYLAN. I was on my feet before the Chair made that announcement. I ask for a division.

The SPEAKER. The Chair thinks that technically the gentleman from New York is too late, but under the circumstances, if the gentleman makes a bona fide request for a division, the Chair will put it.

Mr. OLIVER of Alabama. Mr. Speaker, the gentleman from New York only desires four or five minutes. Would it be agreeable to the gentleman from Pennsylvania [Mr. SHREVE] as soon as we go into the Committee of the Whole House on the state of the Union to permit the gentleman from New York to make a four or five minute statement?

Mr. SHREVE. It will be a very great pleasure to do that.

Mr. OLIVER of Alabama. I will yield time to the gentleman from New York when we go into the Committee of the Whole House on the state of the Union.

Mr. BOYLAN. Mr. Speaker, I withdraw the request for a division.

The SPEAKER. Without objection, the request for a division is withdrawn.

There was no objection.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16110, with Mr. RAMSEYER in the chair.

The Clerk read the title of the bill.

Mr. SHREVE. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SHREVE. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman and ladies and gentlemen of the committee, this morning I made a request on behalf of the leader of our delegation [Mr. CULLEN] who is ill and who has been excused by the House, to permit the printing in the RECORD of a resolution sent him by a powerful organization in this country. Objection was made, saying that much matter was introduced in the RECORD that was not germane to the public business and had no proper place there; also that such resolutions came in many instances from organizations of no moment.

This particular resolution was a resolution by the American Federation of Labor and it was relative to public business because it was a resolution that provided that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Department of Agriculture, Department of Labor, and Department of the Interior. So certainly that was of public import and worthy to be considered by Congress.

No one has worked harder than I to see that the RECORD be kept clear. I have worked for the last three years, in addition, to see that the RECORD be modernized. As was stated this morning, another body in the Congress will permit the insertion of almost any kind of material, while in the House we naturally have, on good grounds, restricted the insertions in the RECORD. But I think a sound discretion should be exercised, and when something of importance to the House, something that furnishes information as to how the people of the country feel on pending matters is offered, it should be inserted in the RECORD. No one has taken less time than I on this floor. No one has placed less extraneous matter in the RECORD than I. But I speak not for myself, because this morning I did not request anything of a personal nature. I requested that common courtesy be extended to the leader of our delegation who is ill and who, as the records of this House will show, has been excused on that ground.

Yet, despite the fact that my entire request would have taken a minute or a minute and a half, fully a half hour was consumed in denouncing Members of the House for inserting various matters in the RECORD. Why I was used as the vehicle for this outburst, I do not know, but I will say right here and now I will support any man in this House, on either side of the Chamber, in seeing that he has fair and equal rights in the insertion of matter in the CONGRESSIONAL RECORD. [Applause.] Day in and day out articles of various sizes have been presented and included in the RECORD, many of them of political import, but no objection was raised. I serve notice here that from now until the end of this session I shall support any Member who desires to insert anything in the RECORD that will be enlightening not only to the Members of the Congress but to any of the Federal departments. [Applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution adopted by the American Federation of Labor at a convention held in Boston on October 6, which advocates that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Departments of Agriculture, Labor, and Interior.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing a resolution adopted by the American Federation of Labor. Is there objection?

Mr. UNDERHILL. Mr. Chairman, I object.

Mr. BOYLAN. I would like to have three more minutes.

Mr. GRIFFIN. I yield the gentleman three additional minutes.

Mr. BOYLAN. Mr. Chairman, during the convention of the American Federation of Labor held in Boston, October 6 to 17, resolutions were adopted urging Congress to adopt House Joint Resolution 334, which provides that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Departments of Agriculture, Labor, and Interior.

Mr. UNDERHILL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman can not take the gentleman from New York off the floor by propounding a parliamentary inquiry.

Mr. UNDERHILL. Then, Mr. Chairman, I make a point of order.

Mr. BOYLAN. The resolutions are sent to you for your consideration and I hope for favorable action. They are as follows——

The CHAIRMAN. The gentleman from New York will desist.

Mr. BOYLAN. I have not yielded to the gentleman from Massachusetts.

The CHAIRMAN. But the gentleman from Massachusetts makes a point of order, which he will state.

Mr. UNDERHILL. Mr. Chairman, having objected to the insertion of this resolution in the RECORD, the gentleman has no right, under the rules of the House, to read it into the RECORD, and, therefore, I make the point of order that the gentleman is out of order.

Mr. BOYLAN. In answer to that I have been allotted this time.

The CHAIRMAN. In order that the gentleman may read the paper he must get either unanimous consent or an affirmative vote of the House.

Mr. BOYLAN. The time has been allotted to me without qualification. No qualification was made.

The CHAIRMAN. There is a rule against reading a paper unless the Member gets consent to do so.

Mr. BOYLAN. It is within my time, Mr. Chairman.

The CHAIRMAN. That makes no difference. The rule on reading papers is Rule XXX, which reads as follows:

> When the reading of a paper other than one upon which the House is called to give a final vote is demanded, and the same is objected to by any Member, it shall be determined without debate by a vote of the House.

Mr. CRISP. Mr. Chairman, I move that the gentleman be permitted to read the communication.

Mr. STAFFORD. Mr. Chairman, I make a point of order against that motion. My point of order is that the rule just read by the Chairman, Rule XXX, applies only to proceedings in the House.

The CHAIRMAN. Has the gentleman any decision in support of his contention?

Mr. STAFFORD. No; I have not. The rule provides that it shall be determined without debate by a vote of the

House. Now, we are in the committee and are bound by the rules of the House. The rule does not say that the committee can by vote permit the reading of a paper, but it says that the House may by vote grant that privilege.

Mr. SABATH. That is where a point of order is made in the House.

Mr. STAFFORD. My query is whether the committee can change this rule by a vote of the committee or whether this rule extends to proceedings in the Committee of the Whole. I am frank to say to the chairman of the committee that I do not know whether it does, but I am submitting it to the Chair for his decision.

The CHAIRMAN. In the opinion of the Chair, it is within the power of the Committee of the Whole House to determine whether or not it will permit a paper to be read. The point of order is overruled. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Mr. BOYLAN (reading):

Whereas WCFL, the Voice of Labor, radio broadcast station, operating on 970 kilocycles, and W9XAA, its recently installed short-wave relay broadcast station, operating on 6,080 kilocycles, is the only radio station in the world which is owned, controlled, and operated by the labor movement; and

Whereas WCFL–W9XAA, indorsed by the American Federation of Labor and its affiliated national, international, and State organizations, is justly entitled to one of the national, cleared, unlimited time channels out of the 90 available; and

Whereas radio takes its place alongside of the development of the printing press and the establishment of the public school; it is the supermeans of entertainment, education, and propaganda. Whoever controls radio broadcasting in the years to come will control the Nation. For good or ill, radio will pour into the homes of the land, into the minds and hearts of the people, a constant stream of song and story, of history, science, economics, politics, and propaganda. Overshadowing and outreaching all other means of communication, radio has become the unrivaled master of human destiny; and

Whereas radio broadcasting is the most effective means known to man for influencing public opinion. More people listen to the radio than read all the daily newspapers in the land. The mind can not conceive of the influence which radio is destined to exert upon the thinking, the habits, the character, and the progress of mankind; and

Whereas the public interest, necessity, and convenience requires that this marvelous new means of communication should not be placed within the control of a few great monopolistic corporations or handed out as a free gift to a few hundred private business concerns for commercial exploitation; and

Whereas the "public interest, necessity, and convenience" requires that radio broadcasting provide not only entertainment but information, not only music but science, history, economics, and all other things that make for human welfare. It requires that the serious problems of life shall be presented, not from one group or one viewpoint only, but from many groups and many points of view; and

Whereas the "public interest, necessity, and convenience" is nation-wide, it is age long, it has to do with the physical, mental, moral, social, and economic welfare of all of the people; and

Whereas the "public interest, necessity, and convenience" which the law fixes as the sole test for granting radio licenses is the same as the "public welfare," being that which contributes to the health, comfort, and happiness of the people, which provides wholesome entertainment, increases knowledge, arouses individual thinking, inspires noble impulses, strengthens human ties, breaks down hatreds, encourages respect for law, aids employment, improves the standard of living, and adds to the peace and contentment of mankind; and

Whereas like the air we breathe, or the sunlight that gives us life, radio must be charged with a public trust—the heritage of mankind—and no man or corporation must be permitted to appropriate it, any more than they should be permitted to appropriate the air or the ocean; and

Whereas organized labor has contributed immeasurable service to the Nation; it has vastly improved working conditions, raised the standard of living, infused hope and courage and patriotism into millions of hearts; it has battled for needed reforms, sane and useful legislation, and social and economic justice for all who toil; it has established principles, policies, and ideals which are as essential to the welfare of our country as is sunlight to the growing fields; it has a message for all mankind; it asks no monopoly, no special privilege, no right to exploit the air for commercial profit, but asks only that it be allowed to use one of the 90 available radio channels in order that it may freely promulgate the principles and ideals and thereby protect and serve the entire public; and

Whereas evidence of the tendency of the Federal Radio Commission to allocate the most desirable wave lengths to private corporations, in disregard of the public interest, necessity, and convenience is demonstrated by the fact that the 40 "cleared radio broadcasting channels" established by the Federal Radio Commission, have been allocated as follows (some for part time only):

(1) Twelve channels to corporations formed for the specific purpose of operating a broadcasting station;

(2) Seven channels to corporations manufacturing radio equipment and supplies;

(3) Ten channels to corporations dealing in merchandise of various kinds;

(4) Eleven channels to corporations publishing newspapers;

(5) Three channels to public utility corporations;

(6) Five channels to insurance corporations;

(7) One channel (limited time) to a fraternal organization; and

(8) One channel to a municipal corporation: Therefore be it

Resolved, That the American Federation of Labor, in its fiftieth annual convention assembled in Boston, Mass., this 7th day of October, 1930, indorse House Joint Resolution No. 334, introduced on May 9, 1930, by Congressman REID of Illinois (who was impelled to introduce this resolution on account of the arbitrary and biased action of the Federal Radio Commission in denying a cleared channel to the station of organized labor, WCFL), to amend the radio act of 1927, by providing that the Federal Radio Commission shall assign three cleared-channel broadcasting frequencies to the Departments of Agriculture, Labor, and Interior, which shall be licensed to the radio stations recommended by the heads of those Government departments as being most representative of the labor, agricultural, and educational interests of the United States.

Mr. SHREVE. Mr. Chairman, ladies and gentlemen of the committee, your subcommittee of the Committee on Appropriations handling the appropriations for the Departments of State and Justice and the judiciary and the Departments of Commerce and Labor comes again before you with a report. We have been working for several weeks on the items for the various departments. We have had the assistance of all the Cabinet officers concerned, as well as the men under them. We have made a careful and exhaustive examination of the items that are presented for our consideration and for your consideration. Naturally, we have been practicing economy wherever possible. We realize there are now very large demands upon the Government and if we can save some money as we go along we feel it is our responsibility to do it. Accordingly we have reduced the estimates made by the Bureau of the Budget by $2,361,292, and we think we have done this without injury to any service.

STATE, JUSTICE, COMMERCE, AND LABOR

This bill, covering fiscal recommendations for the Departments of State and Justice and the judiciary, and the Departments of Commerce and Labor, carries a total of $135,789,668.34 for 1932. This is $5,881,302.20 over the current fiscal year and $2,361,292 under the estimates submitted by the Budget.

Department	Appropriations, 1931	Estimates, 1932	Recommendations, 1932	Increase (+) or decrease (−), bill compared with 1931 appropriations	Increase (+) or decrease (−), compared with 1932 estimates
State	$17,674,789.14	$17,590,073.34	$16,681,326.34	−$993,462.80	−$908,747.00
Justice	45,395,922.00	51,988,261.00	51,239,201.00	+5,843,279.00	−749,060.00
Commerce	54,616,485.00	54,635,226.00	54,038,941.00	−577,544.00	−596,285.00
Labor	12,221,170.00	13,937,400.00	13,830,200.00	+1,609,030.00	−107,200.00
Total	129,908,366.14	138,150,960.34	135,789,668.34	+5,881,302.20	−2,361,292.00

We eliminated from the various items in the bill the amounts included in the Budget estimates for promotions under the classification act. These promotions for the four departments amounted to $632,000. We did this to be consistent with the action of the Committee on Appropriations in reporting appropriation bills for other departments.

DEPARTMENT OF STATE

For the various activities of the State Department we have recommended a total of $16,681,326.34. This is $993,462.80 less than the appropriation for the current year and $908,747 under the amount estimated for in the Budget.

The current appropriations, the Budget estimates for 1932, and the committee's recommendation for 1932 are set forth in a statement I am submitting for the RECORD. This statement shows the activities of the Department of State as reflected by appropriations, as follows:

First. The department in Washington, including the passport agencies in the United States.

Second. Foreign Service.

Third. Foreign Service buildings and retirement funds.

Fourth. The United States contributions to its international obligations.

Fifth. The United States Court, for China and expenses.

Group	Appropriations, 1931	Budget estimates, 1932	Amount recommended for 1932	Increase (+) or decrease (−), bill compared with 1931 appropriations	Increase (+) or decrease (−), bill compared with Budget estimates
(1) Department in Washington, including passport agencies	$2,364,273.00	$2,517,218.00	$2,500,498.00	+$136,225.00	−$16,720.00
(2) Foreign Service	11,437,081.00	11,700,168.00	11,612,941.00	+175,860.00	−87,227.00
(3) Foreign Service buildings	1,820,000.00	2,000,000.00	1,200,000.00	−620,000.00	−800,000.00
(4) International obligations	1,996,185.14	1,310,637.34	1,310,637.34	−685,547.80	
(5) Judicial	57,250.00	62,050.00	57,250.00		−4,800.00
Total, regular annual appropriations	17,674,789.14	17,590,073.34	16,681,326.34	−993,462.80	−908,747.00
(6) Permanent and indefinite appropriations	141,233.00	141,233.00	141,233.00		
Grand total	17,816,022.14	17,731,306.34	16,822,559.34	−993,462.80	−908,747.00

I do not want to take up the time of the House with all of the changes occurring in the bill, as they are fully set out in the report, but do desire to direct attention to the more important items.

SALARIES, SECRETARY'S OFFICE

For the salary roll of the State Department in Washington we have recommended $1,983,968 for the next fiscal year, a net increase over the current year of $135,203. This increase covers some additional personnel, reallocation of employees by the Personnel Classification Board, automatic increases in salaries under the Brookhart Act of July 3, 1930, and the transfer to this appropriation unit of the amount heretofore paid for salaries from the appropriation "Immigration of aliens" which appropriation unit has been dropped from the bill.

CONTINGENT EXPENSES, FOREIGN MISSIONS

We recommend for contingent expenses for foreign missions $912,740, which is a decrease of $473,585, due to the transfer from this appropriation to a separate appropriation unit of the amount previously carried under this head for the payment of rent, heat, light, and fuel.

I may say here we have made various transfers that do not in any way affect the bill, but merely bring together under appropriate heads or coordinate, if you please, such matters as properly belong in one place and can be considered as one item.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. SHREVE. Certainly.

Mr. LINTHICUM. There is one thing I do not quite understand about the State Department appropriation, and that is why you appropriate for rent, heat, and light for the career officers and do not make the same appropriation for the clerks and other men engaged in the Foreign Service. The act gives you the same right, and you did appropriate for the clerks in the Labor Department, in the Agricultural Department, and in the Treasury Department, and yet you omit these men, who need it perhaps more than the men in the other departments.

Mr. SHREVE. I will say to my friend that this is rather new. The gentleman will remember that last year was the first time we carried these various items. We have tried to use the same system in the Department of State and in the Department of Commerce, and in the Department of Commerce the clerks are not allowed the extras that the gentleman has mentioned, and I am not sure that the Congress is yet ready to accept the proposition as stated by the gentleman from Maryland. There was no pressure on the committee and there was no recommendation by the Bureau of the Budget. The matter, I think, is entirely up to the gentleman from Maryland.

Mr. LINTHICUM. That is the reason I am asking the question. I feel it is not only up to the gentleman from Maryland, but it is up to the Congress. Here are a lot of men who are working on small salaries, and they get no allowance for rent, heat, and light, and yet there are other men who are getting a larger salary that are getting such allowances when the act gives the gentleman's committee the right to appropriate for all of them.

Mr. SHREVE. But these men have never had it but once, and it is a very, very insignificant sum. It would cost the Government, however, to carry out the ideas of the gentleman from Maryland, about $480,000.

Mr. LINTHICUM. Yes; and would help the service very materially.

Mr. SHREVE. There is no doubt about that.

Mr. STAFFORD. It would be substantially an increase in salary.

Mr. SHREVE. Yes.

Mr. STAFFORD. And, of course, responsibility for the size of the appropriation does not rest on the other side.

Mr. SHREVE. It would really increase salaries about $615,000.

CLERK HIRE, UNITED STATES CONSULATES

For clerk hire of our consulates abroad we have recommended $2,234,088, which is the same as the Budget estimate and an increase of $380,822 over the current year. However, this increase is only apparent and not real, as it is due to the transfer to this appropriation, where it properly belongs, of expenditures for this purpose heretofore made from the appropriation unit "Immigration of Aliens," which has been dropped from the bill.

CONTINGENT EXPENSES, UNITED STATES CONSULATES

For this purpose the bill carries $905,931, as compared with $1,737,140 for the current year, which is an apparent decrease of $811,209. However, this decrease is not real, as the amount recommended does not include the amount previously carried under this head for rent, heat, light, and fuel of $964,837, and which is now carried under a separate head for that purpose. On the other hand, it does include $67,628 which has been transferred to this appropriation from the appropriation for "Immigration of Aliens." The real increase in this item is $66,000, which is distributed as follows: For new personnel, $42,000; to open three new consulates, $9,000; and for the purchase of 120 new protectograph machines, $15,000.

SALARIES, FOREIGN SERVICE OFFICERS

For salaries of Foreign Service officers we have included in the bill $3,373,500, the amount of the Budget estimate. This is $75,000 more than was carried under this head for the current year, but $30,000 of this increase is merely a transfer to this appropriation and was carried last year

under "Immigration of Aliens." The balance of the increase, $45,000, is to permit the department to employ 18 additional Foreign Service officers.

FOREIGN SERVICE BUILDINGS FUND

The Congress, by the Foreign Service buildings act of May 7, 1926, authorized appropriations of $2,000,000 per annum up to an aggregate maximum of $10,000,000 for Foreign Service buildings. The appropriations made to date amount to $6,835,000. The Budget estimate for 1932 was $2,000,000 and the committee recommends $1,200,000, which it believes, in view of the fact that the department now has an unexpended balance in this fund of about $3,000,000, will be sufficient for the next fiscal year.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. WAINWRIGHT. The paragraph in the gentleman's report as to the situation with regard to the appropriation for foreign buildings is a little obscure to me. May I ask the gentleman, after this $1,200,000 which you appropriate here and the $3,100,000 which is carried over are spent, how much of the authorization of $10,000,000 is going to be left?

Mr. SHREVE. Approximately $2,000,000.

Mr. WAINWRIGHT. That will leave $2,000,000 to be appropriated in the future out of the existing authorization to carry out this program?

Mr. SHREVE. And permit me to say right here that I have had the very great pleasure of visiting many of these projects in foreign countries, and I can assure the committee that the work is being splendidly done, in a highly efficient manner, and no criticism can be offered; but in order to completely carry out the building program as outlined by the Congress a number of years ago it is going to be necessary in the very near future to have another authorization, and I think the Congress should begin consideration of that matter now, because we must keep our building going along. If the work is stopped, it will be an expensive proposition, because there are other places demanding our attention. Just recently we have completed the purchase in Rome, Italy, of one of the most beautiful and magnificent spots you ever saw, right in the central part of the city, on which there are two villas, one of which will be used as the ambassador's residence and the other will handle the work of the embassy and the consulate. This is in one of the greatest cities in the world, with hundreds of thousands of people going there every year. The building is conspicuous and is in a beautiful park, and will be of great credit to the United States, and in my opinion it ought to be remodeled just as soon as possible.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SHREVE. I will be glad to.

Mr. WAINWRIGHT. Do we understand that the total of the amount actually appropriated will be about $2,000,000 short of the total authorization? In other words, you have still got $2,000,000 which may be appropriated on top of what has been appropriated?

Mr. SHREVE. Yes. Let me read from the hearings:

Mr. MERRILL. You will all recall that this fund arises from the authorization act of May 7, 1926, authorizing the appropriation of $10,000,000 for buildings owned by the Government abroad, under which a maximum of $2,000,000 was allowed to be appropriated in each fiscal year.

Under that act, in the second deficiency bill of 1926, we had $435,000. In the first deficiency act 1928 we had $700,000. Then in the appropriation bill of 1929 we received $1,300,000. In the appropriation act of 1930, $2,000,000; the deficiency in 1929, $700,000; and the appropriation of last year, 1931, $1,700,000. Those were the sums which the Foreign Service Buildings Commission, composed of four Members of Congress and three members of the Cabinet, felt could be spent in those years. They did not ask any more than they thought could be spent economically and practically, and that is just about how it was run.

The total appropriation, therefore, has been $6,835,000. The expenditures to date—and by that I mean the money actually out of the till, out of the Government funds—has been $3,739,953.54 and odd.

Mr. WAINWRIGHT. Will the gentleman state the exact process of the selection of the building site—how do you arrive at that?

Mr. SHREVE. In the first place there is a commission appointed from Congress whose business it is to make a study in the various countries. This was largely under the control and jurisdiction of the late lamented Stephen Porter. Mr. Porter spent much time abroad, made a careful study, and had the different members of the commission with him dealing with the building program. It was thought best—and I think it should be carried on—that they should consider first these places where it is difficult for an American to live on account of the hot climate and malarial conditions of those hot countries. That was the first thought, to consider the smaller country, places that would be homes for men to live in something like the conditions they live in at home. The next thought was for those who represented us in the large cities of the world.

The United States is considered to be the greatest country in the world, and they think we have half the money of the world, and only about one-fifth of the population, and it seems to the American, the public-spirited American, the good, loyal American, that we should be as well represented in any foreign country as is any other government. That was the idea.

Now we have an expensive proposition in Buenos Aires, and we have another embassy that will cost some money in Berlin. I am very familiar with that situation. There is an old castle there that has come down through the ages which we are occupying to-day. And we are going to spend some money in Paris. The building location there, as many of you know, is in the very finest location in Paris. So the committee has carried out the idea of placing our buildings in commanding positions where they would represent the United States of America and do credit to our country.

Mr. WAINWRIGHT. I would like to ask the gentleman, if they have a program beyond the $1,200,000?

Mr. SHREVE. There is not a dollar of that obligated.

Mr. WAINWRIGHT. Who determines it?

Mr. SHREVE. The commission and the Foreign Relations Committee.

Mr. WAINWRIGHT. And you have no program to carry on?

Mr. SHREVE. I will ask the gentleman from Pennsylvania, Doctor TEMPLE, to tell you about that before we get through.

Mr. COLE. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. COLE. The preference, I think, has been given to the capitals of countries where conditions of living are entirely different from this country. There are places where it is almost impossible for a representative of our Government to find a suitable place in which to live. As far as Europe is concerned, we have waited often until an opportunity came to purchase a desirable site or building at an advantageous price.

We already have a beautiful site in Paris. We bought the Paris site because it was available at a very reasonable price, an opportunity we could not afford to neglect. We did the same in Prague, and I happened to be there when we got a fine old building and got it at a low price. That is how we acquired many of these sites and buildings in European countries.

Property has been cheap, and when a desirable house or site was to be had, we have taken occasion to acquire it or to get an option on it. That is about the way the selections have been made.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. One of the members of the commission is the Representative from Maryland [Mr. LINTHICUM].

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. He is very familiar with the work of the commission and perhaps has had more to do with carrying out the plans of the commission than anyone, with the possible exception of the late Representative Porter. He can give information, if information is desired,

and besides that, as I understand it, the commission makes an annual report.

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. It is a very full annual report. I believe the report includes illustrations, so that anyone can easily get complete knowledge of all that has been done up to this time.

Mr. SHREVE. Mr. Chairman, I ask the gentleman from Maryland [Mr. LINTHICUM] whether he will add some further details to the statement that I have already made. Of course, I did not cover it fully, nor did I try to do so.

Mr. LINTHICUM. Mr. Chairman, I shall be glad to answer any questions in due time that anybody wants to ask me. I am going to speak on the bill after a time.

Mr. CARTER of California. About what proportion of the field has been covered by the buildings already erected and that may be erected with the money that is still available?

Mr. SHREVE. Of course, we must all realize that the next $10,000,000, if it be appropriated, will go a good deal farther than the last $10,000,000 because our expensive propositions are about completed; but we will have more buildings to erect, and I should say that another $10,000,000 will pretty well round out the proposition.

Mr. ERK. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. ERK. The Foreign Service Buildings Commission is engaged in acquiring office buildings and residences in the capitals and large cities of foreign nations for the use of the Foreign Service of the United States. Over a period of 120 years, our Government sought to own its own property in the foreign capitals of the world. Over this great span of time legislation after legislation was introduced in the hope of meeting the requirements, but all failed to become a law. With your indulgence, I might transgress for a moment by relating a story as to the pressing need for such legislation:

A number of years ago, while in St. Petersburg (Leningrad), Mark Twain desired to secure a renewal of his passport. For several days he searched the city for the American Embassy. He finally located the embassy, which consisted of two and a half rooms located on the seventh and eighth floors of an office building. Two rooms were on the seventh floor and the half room on the eighth floor.

In his lofty humor and wit, for which he was eminently noted, he described the office force and contents of the embassy. The office force consisted of a secretary and an interpreter. The secretary was compelled to sell matches and shoestrings in the afternoons in order to make a living. The interpreter, when Twain called, was busily occupied in washing the windows and doing other chores about the office. The furnishings consisted of an old oaken table, several secondhand chairs, a broken mirror which cut off the image of a person's face about at the nose, a basin with a water pitcher on a stand—the handle of the pitcher had been broken off. There were several chromo pictures on the wall, mostly advertisements for steamship lines—something you would get for nothing.

The office was conspicuous by its many cuspidors, and under each cuspidor there was a mat, and on the mat the seal of the United States with the insignia—"In God we trust."

Since the enactment of the Porter bill, some two years ago, over 40 projects are either completed or under way. There are possibly 300 more to cover.

I want to impress the House with the fact that if our Government had to borrow the money to erect these buildings and pay interest at the rate of 4 or 5 per cent we would still save, in comparison with the rents that we are paying. The object of the Foreign Service Buildings Commission is to put all Government activities under one roof. To illustrate, in Paris our Government has 14 offices scattered in eight or more different parts of the city, and we want to concentrate all of those activities under one roof. In London our Government has 13 offices scattered in seven different parts of the city. But the point I want to particularly bring out is that the Government is actually saving money, and if it had to borrow this money at 4 or 5 per cent it would still save in comparison with the rents that we are paying.

Mr. COLE. And what is more, we are saving our self-respect.

Mr. LINTHICUM. Mr. Chairman, I call the attention of the committee to pages 248 to 251 of the hearings devoted to the Department of State. There will be found a detailed report of all of the activities which have been carried on by the Building Commission, and what is now contemplated, and also the amount which has been expended and which is to be expended on the projects already adopted. It is hard to say how much it will cost to complete the program. This is a big world.

We have covered most of the places where the health situation in respect to sanitation is so bad, and we are now trying to cover most of the capitals of the world. London has been taken care of so far as the embassy home is concerned, but we have yet to erect an office building. Buenos Aires has been taken care of as to embassy home and the site for an office building has been purchased and a very handsome office building has been designed. Bids have been asked for it in Buenos Aires. In Paris bids will be asked for very shortly, I expect this month, for the erection of an office building on the Place de la Concorde. We have an embassy home in Paris. In Berlin we have made an offer. Whether that will be accepted or not, I do not know, but many Members of Congress have visited the site in Berlin and have pronounced it the finest site that could be procured in that capital. The paper carries to-day, I believe, an article in respect to the purchase in Rome, which adjoins the Queen's palace. It consists of two buildings, one of which we contemplate to change into a home for the ambassador and the other to make an office building of. It is a magnificent site, located in the center of Rome, and will be an outstanding situation in that great city. I suggest that the Members who are deeply interested in this subject will secure a report from the Committee on Foreign Affairs as to what has been done, including the pictures, and also that they look over pages 248 to 251 of the hearings referred to.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield to permit me to suggest that from a national and international standpoint there is nothing more important than what we have been discussing, and it is a subject of great gratification and should be one of great pride to us that finally we are proceeding along a line which will insure in the end that our activities abroad, diplomatic and consular, will have a proper setting and that our officials will be properly housed in a way comparable with such activities of other countries and befitting the dignity of our own country.

Mr. LINTHICUM. If this program is finally carried to a conclusion, there will be no country in the world as well provided with homes for embassies—office buildings so efficient and so desirably located as the United States.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. SHREVE. Yes.

Mr. TEMPLE. I am very glad that the discussion has been directed to this point, and I take this opportunity to say to the House that I have introduced a bill which if it passes will authorize the Appropriations Committee in the future to appropriate at the rate of $2,000,000 for any one year to a limit of $10,000,000 for the further carrying out of the plans that have been under discussion. At a later time I shall make more definite remarks about that additional $10,000,000.

Mr. SHREVE. Mr. Chairman, it has been my pleasure to visit a good many of these locations, and I assure the House that the commission has rendered a very valuable service to the country up to the present moment. Their work can not be adversely criticized, I am sure.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. WAINWRIGHT. Simply for the RECORD and the information of the committee—of what does this commission consist? How is it composed?

Mr. SHREVE. The gentleman from Pennsylvania, Doctor TEMPLE, will answer the gentleman.

Mr. TEMPLE. The Foreign Service Buildings Commission consists of seven members. If I may venture to mention the House of Representatives first, the gentleman from Maryland [Mr. LINTHICUM] and myself are the members from the House. Senator BORAH and Senator SWANSON are the members from the Senate. Secretary of State Stimson, Secretary of the Treasury Mellon, and Secretary of Commerce Lamont are the other members. The State Department, the Treasury Department, and the Commerce Department are as much interested in the foreign relations of the United States as any of the other departments. There are three Cabinet members and four legislative members.

Mr. WAINWRIGHT. Do they hold stated meetings? How do they operate?

Mr. TEMPLE. We hold meetings, not at any regularly appointed times. That is, we do not have a definite meeting day each month, but when there is business to be attended to a meeting is called.

Mr. WAINWRIGHT. Is there an organization, with a secretary, to consider problems presented?

Mr. TEMPLE. Mr. Keith Merrill, Foreign Service officer of the United States, is secretary, and I myself have the honor to be chairman of the commission. It is regularly organized, able to make contracts, has made contracts, and makes them all on the basis of contracts already authorized—the same form of contract that is used for other buildings of the United States. I know the gentleman from New York [Mr. WAINWRIGHT] is informed about the matter and is asking these questions for the purpose of getting the information in the RECORD, but if the Members will examine the reports of the commission they will find a very full statement of the work that has been done.

Mr. LINTHICUM. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. LINTHICUM. There is a very complete office located in the State Department, of which Mr. Merrill is the executive officer and Mr. Phillips is engineer, and there are a number of clerks. Ten million dollars can not be spent all over the world unless there is a force to keep the accounts and look after the work. Visitations must be made to these various places where sites are selected and buildings are erected. Mr. Phillips has just returned, I think, from San Domingo and Venezuela. I was in Berlin, Paris, and London last summer. So we try to see the locations before we purchase them and then decide what is best to do.

Mr. SHREVE. The next item I desire to discuss is representation allowances.

REPRESENTATION ALLOWANCES

We have recommended for representation allowances for our foreign missions and consulates $125,000, the same amount as the Budget estimate, which is an increase of $33,000 over 1931. This increase is to provide increased allowances to 67 foreign offices and will give allowances to 26 offices which are not now receiving any allowance.

Of course, these allowances are very small. They run from $250 up to $1,000, where the salary is large. These are new items which we thought should be carried.

RENT, HEAT, LIGHT, AND FUEL, FOREIGN SERVICE

This is a new item in the bill and is made up of appropriations heretofore carried under the heads of "Contingent expenses, foreign missions," "Contingent expenses, United States consulates," and "Immigration of aliens." It is a consolidation under one appropriation unit of the entire amount to be expended for rent, heat, light, and fuel for the Foreign Service of the State Department. For this purpose we have recommended $1,567,332, the same amount as was contained in the above items for this purpose for the current year, and a decrease of $67,227 under the Budget estimate. The amount recommended is based upon maximums for ambassadors and ministers ranging from $1,200 to $3,000, and maximums for Foreign Service officers ranging from $575 to $1,700 a year.

Mr. LINTHICUM will probably offer an amendment to the appropriation for rent, light, heat, and so forth, for the Foreign Service of the State Department, to include clerks and employees. The appropriation carried in the bill covers foreign officers only. The State Department has about 780 American clerks and employees in the Foreign Service who would be entitled to rent, heat, light, and fuel under the act of June 26, 1930, which would mean an additional appropriation of $480,000, or an average per clerk of about $615. I understand the Departments of Agriculture, Labor, and Treasury have estimated for their clerks as well as officers and that the amounts they asked for have been approved. It seems that the Federal employees are making a drive to have the clerks and employees provided with an allowance for rent, heat, light, and fuel the same as is carried for officers. The Commerce Department, under the act of April 12, 1930, can only give this allowance to its Foreign Service officers, as that act does not provide for such allowances to clerks and employees. The act of June 26, 1930, however, which is the act under which the State Department is operating, provides that this allowance may be paid to clerks and employees.

DEPARTMENT OF JUSTICE

Appropriations totaling $51,239,201 are carried in the bill for this important department of the Government, an increase of $5,843,279 over the present year, and a decrease of $749,060 under the Budget estimate.

The following table will show the present appropriations, estimates submitted for the next fiscal year, and the committee's recommendations under the four major heads:

First. The Department of Justice proper.

Second. Bureau of Prohibition.

Third. Judicial.

Fourth. Penal and correctional institutions.

Object	Appropriations, 1931	Budget estimates, 1932	Amount recommended in the bill, 1932	Increase (+) or decrease (−), bill compared with 1931 appropriations	Increase (+) or decrease (−), bill compared with 1932 estimates
Department of Justice proper	$5,426,387	$5,751,918	$5,705,158	+$278,771	−$46,760
Bureau of Prohibition	9,000,000	11,350,680	11,369,500	+2,369,500	−161,180
Judicial	18,786,978	20,510,728	20,370,288	+1,583,310	−140,440
Penal and correctional institutions	12,182,557	14,194,935	13,794,255	+1,611,698	−400,680
Total	45,395,922	51,988,261	51,239,201	+5,843,279	−749,060

SALARIES, ATTORNEY GENERAL'S OFFICE

For salaries in the Attorney General's office the committee recommends $1,282,120, an apparent increase over 1931 of only $21,060 but an actual increase of $99,000, which arises from the fact that the department is requesting the transfer of 34 employees heretofore paid from this fund and whose salaries total $77,940, to the appropriation for "examination of judicial offices" in order to have all of the employees of the Division of Accounts on one pay roll. Then, too, an increase in personnel amounting to approximately $93,000 is included in our recommendation, and $5,800 for automatic increases to comply with the Brookhart Act.

DETECTION AND PROSECUTION OF CRIMES

We have recommended for this purpose a total of $2,978,520, which is an increase of $197,101 over the current year. Most of the increase is due to new personnel, both in the department and in the field, made necessary by the greatly increasing number of investigations which the bureau is called upon to make.

BUREAU OF PROHIBITION

The act of May 27, 1930, created a Bureau of Prohibition under the Department of Justice, and appropriations for this bureau, which up to this time have been carried in the bill appropriating for the Treasury and Post Office Departments, will now be carried in this bill.

For this bureau the committee recommends $11,369,500, which represents an increase over the appropriation for the current fiscal year of $2,369,500. The items making up this increase are listed in the report accompanying this bill. I might say, however, that the two largest items of increase are for new personnel, $1,614,260, and travel expense, $356,581.

PENAL AND CORRECTIONAL INSTITUTIONS

For the various penal and correctional institutions, including support of Federal prisoners in State institutions, and the Federal probation system, we have recommended a total of $13,794,255, an increase over 1931 of $1,611,698, which is distributed according to the table in the back of the report accompanying the bill. An amount is included for the maintenance and operation of the new northeastern penitentiary, located in Pennsylvania, which it is expected will be ready for occupancy during the next year, and $500,000 is recommended for beginning the construction of a United States reformatory in the southwestern section of the country, a site for which has been offered to the Department of Justice by the War Department on the Reno quartermaster depot military reservation, Oklahoma.

This site is offered to us free and it costs nothing to establish the reform school there. It is really a penitentiary for the accommodation of the people who are sent to such institutions where the crimes are not of such a serious nature.

SALARIES AND EXPENSES, UNITED STATES DISTRICT ATTORNEYS

There is an increase recommended in this appropriation over 1931 of $137,370 due to the discontinuance of the separate appropriation for salaries and expenses of regular assistants to district attorneys and the inclusion in this appropriation of the amount heretofore carried under that head, and the transfer also to this appropriation of $21,000 for salaries and expenses of district attorneys, Territory of Alaska. This recommendation also includes $64,870 for new personnel.

That is brought about in the courts we have created in the last few years which had to be fully equipped and manned.

FEES OF JURORS AND WITNESSES, UNITED STATES COURTS

The bill carries an increase in this item of $500,000 over the current year due to the increase in the number of judges, in consequence of which there will be a larger number of terms of court, and it is also due, according to the department, to the amendment to the national prohibition act known as the Jones Law, which increases materially the number of trials by jury and decreases the number of pleas of guilty.

Mr. COLE. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. COLE. Does the Alaska appropriation include appropriations for the railroad?

Mr. SHREVE. No. We do not handle the railroad appropriation. We just handle the courts. We are consolidating the courts with all the rest of the courts of the United States, so that they will all be handled in one lump sum.

Before leaving the Department of Justice I desire to call the attention of the House to a little change in the language which we found necessary. It is to be found on page 31 of the report.

You will remember that for some time we have been carrying appropriations for probation officers. The act as it was first passed did not satisfy the judges because they had nothing to say about the men who were to be selected for these positions, but after a time we brought it around until nearly all United States courts in the United States to-day are desirous of having these probation officers. We found, when we began to examine the law, that while the United States Government is paying the bills really we were losing control of the whole situation. So we devised a plan to add some language that would make it so that the United States Attorney General would have something to say about the men who are to fill the positions. In other words, if they did not fill them he would be in a position to take them out. This law provides:

That no part of this or any other appropriation shall be used to defray the salary or expenses of any probation officer who does not comply with the official orders, regulations, and probation standards promulgated by the Attorney General.

That is what we want to get in so that the Attorney General would still have control of it.

Mr. COLE. Will the gentleman yield for a question?

Mr. SHREVE. I yield.

Mr. COLE. The probation officers are appointed by the judges, are they not?

Mr. SHREVE. Yes; but they were under civil service at one time.

Mr. COLE. I understand that at the present time they are appointed by the judges.

Mr. SHREVE. I think the gentleman is correct.

Mr. COLE. Do they have to be confirmed by anyone?

Mr. SHREVE. By the Attorney General.

Mr. COLE. Is the appropriation in this bill sufficient to furnish a probation officer for every district in the United States?

Mr. SHREVE. In nearly every one. Of course, some of the districts have never asked for a probation officer, but there is enough in this bill to at least take care of all of the needs and requirements placed before the committee.

Mr. COLE. I am interested in the matter because the northern district of Iowa is very anxious to get a probation officer.

Mr. McMILLAN. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. McMILLAN. Did the committee have any testimony in its hearings from the Department of Justice with reference to the funds necessary for court stenographers in the various district courts of the country?

Mr. SHREVE. We make a special appropriation and, of course, it is up to the courts to employ their own stenographers.

Mr. McMILLAN. The point I want to present to my friend is that in a great many of the district courts no allowances are made to provide for the payment of court stenographers. I know that in my State a resolution was passed by the bar association calling attention to that fact, and requesting that attention be given to the proposition of having funds available for such expenses.

Mr. SHREVE. There was a time when the court stenographers were very poorly paid, but I think that was taken care of in our last appropriation; that is, the money which will be available on the 1st day of July. I think that will be enough to take care of the stenographers.

DEPARTMENT OF COMMERCE

The Department of Commerce is one of the largest and most important departments of the Government. For its 13 different services and bureaus we have recommended a total of $54,041,941 for the next fiscal year, which is a decrease of $577,544 under the amount appropriated for the current year due to the fact that the amount included for the taking of the Fifteenth Decennial Census is $2,226,420 less than was appropriated for this purpose for the fiscal year 1931. The following table will show the division of the amounts recommended:

Appropriations recommended for the Department of Commerce

Bureau or office	Appropriations, fiscal year 1931	Estimates, fiscal year 1932	Recommendations in bill for 1932	Increase (+) or decrease (−), bill compared with 1931 appropriations	Increase (+) or decrease (−), bill compared with Budget estimates
Office of the Secretary	$1,570,595	$1,375,380	$1,371,540	−$199,055	−$3,840
Aeronautics branch	9,204,830	10,375,000	10,342,300	+1,137,470	−32,700
Radio division	500,000	680,000	500,000	----------	−180,000
Bureau of Foreign and Domestic Commerce	5,086,660	5,401,400	5,231,760	+145,100	−169,640
Bureau of the Census	8,497,000	6,271,000	6,270,580	−2,226,420	−420

Appropriations recommended for the Department of Commerce—Continued

Bureau or office	Appropriations, fiscal year 1931	Estimates, fiscal year 1932	Recommendations in bill for 1932	Increase (+) or decrease (−), bill compared with 1931 appropriations	Increase (+) or decrease (−), bill compared with Budget estimates
Steamboat Inspection Service	$1,373,355	$1,413,640	$1,395,120	+$21,765	−$18,520
Bureau of Navigation	394,300	500,780	496,280	+101,980	−4,500
Bureau of Standards	3,485,671	2,889,270	2,874,570	−611,101	−14,700
Bureau of Lighthouses	11,437,700	12,161,010	12,072,680	+634,980	−88,330
Coast and Geodetic Survey	3,020,104	3,019,111	3,063,056	+42,952	−28,055
Bureau of Fisheries	2,623,060	2,907,500	2,905,540	+282,480	−1,960
Patent Office	4,873,730	5,254,750	5,236,750	+363,020	−18,000
Bureau of Mines	2,549,480	2,314,385	2,278,765	−270,715	−35,620
Total regular annual appropriation, Department of Commerce	54,616,485	54,635,226	54,038,941	−577,544	−596,285
Permanent annual appropriations	3,000	3,000	3,000		
Total annual and permanent annual appropriations, Department of Commerce	54,619,485	54,638,226	54,041,941	−577,544	−596,285

OFFICE OF THE SECRETARY

For salaries, office of the Secretary, we have recommended $341,540, an apparent decrease under the appropriation for 1931 due to a nonrecurring item carried for 1931 for additional personnel to comply with a resolution passed by the Senate calling for a survey and report upon the claims against the United States Grain Corporation growing out of a certain contract referred to as the "Grain dealers' agreement," but an actual increase over 1931 of $12,380 in the estimate for 1932 to be used for the employment of new personnel and to comply with the Brookhart Act.

CONTINGENT EXPENSES

For 1931 the appropriation for this purpose was $500,000, which included a deficiency appropriation of $200,000 to furnish and outfit the new Department of Commerce Building.

We thought it was very wise and proper to begin the furnishing and equipment of that building, because the various departments will be occupying this building during the next year, and we wanted to give them every opportunity to get settled quickly.

For 1932 we are recommending $280,000, a real increase for the next year over the current year of $12,500, which is explained by the fact that last year there was included in this appropriation for contingent expenses $32,200 for the Patent Office, which is this year being carried under the appropriation for the Patent Office.

I will say that the Patent Office has been short of funds for this purpose for some time, but we have been gradually trying to catch up by giving them a little more every year, and I think they will now be able to take care of their printing better than ever before.

PRINTING AND BINDING

For all printing and binding for the Department of Commerce, including all of its bureaus, offices, institutions, and services, except the Patent Office and the Bureau of the Census, the committee recommends $750,000, an increase of $105,000 over 1931. This increase is distributed over nine of the department's bureaus and services.

AERONAUTICS BRANCH

This appropriation is made under two heads, "Aircraft in commerce" and "Air navigation facilities." For the first we have recommended $1,369,660, an increase over this year of $108,830. This division covers expenses of administration, inspection and licensing of aircraft, examination and licensing of pilots and mechanics, enforcement of air-traffic rules, inspection and rating of airports and other regulatory functions, as well as dissemination of information relative to commercial aeronautics, promotion of trade and encouragement of local governments in the establishment of airports, and so forth. The increase is required to enable the department to handle the increasing volume of work.

I have here a statement, which I will submit for the RECORD, which compares, in summary, the estimated expenditures under this division for 1932:

AIR NAVIGATION FACILITIES

For the purpose of establishing and maintaining civil airways, equipped with intermediate landing fields, boundary and beacon lights, telegraphic, telephonic, and radio communications, and weather-reporting service, we have recommended a total of $8,972,640 for the next fiscal year, an increase of $1,028,640 over the current year. This appropriation will provide for the maintenance and operation of the existing air navigation aids on airways, which at the end of the fiscal year 1931 will total 17,500 miles, and for the establishment and maintenance of aids on 2,000 miles of additional airways, as follows: Los Angeles-Kansas City, 140 miles; San Antonio-Big Springs, 260 miles; Dallas-Louisville, 795 miles; Fort Worth-Birmingham, 620 miles; San Antonio-New Orleans, 520 miles; and Amarillo-Oklahoma City-Tulsa-St. Louis, 730 miles. Out of this appropriation the department will also establish 10 additional radio stations, 30 additional radiobeacons, 40 additional radio marker beacons, and extend the teletype weather-reporting system over an additional 4,400 miles of airways.

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

We now come to the Bureau of Foreign and Domestic Commerce, for which the committee recommends a total of $5,231,760 for the next fiscal year, an increase of $113,220 over 1931, which increase is distributed over the various activities of the bureau, as shown in the report accompanying this bill.

The Members of the House will, I think, be very much interested in a brief account of a notable service which is being provided by the Bureau of Foreign and Domestic Commerce for business men in every part of the country. This service is a direct attack on the wastes in distributing our merchandise which result in unjustified "spreads" between production costs and consumers' buying prices in particular trades and which cumulatively may be regarded as a most definite obstacle to a return of business stability and normal conditions of employment. Here is a Government bureau which, without fuss or feathers or enormously enhanced demands on Congress for additional appropriations, is quietly and effectively working with organized trade groups in solving their many uncertainties and perplexities in selling their goods profitably for themselves and economically to their customers.

After years of experiment the department has worked out with industry definite and practical principles which manufacturers, wholesalers, and retailers can follow in planning profitable sales programs and in eliminating wasteful methods which unbeknown to them have been sapping their commercial vitality. Services have been made available through national trade associations and through local groups of business men which will enable the independent merchant of whatever size or type of organization to determine how much and what kind of goods he can sell at a profit and to break down his distribution costs in such a way that he can determine what kinds of goods, which sales territories, and what class of customers he can profitably serve. In these ways there is being put into his hands definite and practical information from which he can detect the hidden wastes and leakages of profits in his business which, if not checked, will lead to commercial suicide. Once he knows definitely wherein his methods are destroying his business, his native intelligence will show him the way to correct them.

Permit me to say that in our spirit of economy, when we were trying to save some money, we cut off $50,000 from this very valuable service, but before we finished the hearings and reported the bill we put the $50,000 back, so that if anybody has heard about the $50,000 and asks you questions about it, tell them it is still in the bill.

This House has appropriated hundreds of millions of dollars in emergency relief measures in an effort to alleviate the worst effects of these inefficiencies after they have had

an opportunity to accumulate into a staggering load of national economic distress. Here is a bureau with a relatively insignificant appropriation, moving in the direct, practical way which has always distinguished its operations to help business apply the fundamental remedies through which, and through which only, our commercial structure finally can be purged of the evils that are undermining it.

This bureau is now giving the people of the United States the benefit of their advice and counsel, and I am sure the appropriation is very worth while.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. MOORE of Virginia. I would like to ask the gentleman this question: The gentleman has indicated that he travels a good deal abroad and, of course, he takes the opportunity of looking into the work of our Foreign Service officials and of the agents of the Department of Commerce who are engaged in business outside of this country. Does the gentleman get an impression that the efficiency of administration is increasing and that the personnel is improving, speaking particularly with reference to the agents of the Department of Commerce?

Mr. SHREVE. I am very glad the gentleman mentioned that fact, because it was the greatest surprise of my life to find men of such high standing and caliber and men who were prominent in affairs at home filling those positions all over the European countries—a wonderfully fine lot of men, men who are drilled and educated in the work they are doing, and I am sure every American would be proud to visit any one of those men. I covered about 29 or 30 cities in which they were located, and I found them to be a remarkable body of men. I expected to find some average men, men who had gone into the service in one way or another, but instead I found men who had been carefully selected on account of their experience and ability, and they are rendering a most valuable service to the people of the United States.

Mr. COLE. May I add that it was my pleasure to visit most of the countries of South America a short time ago, and what the chairman of the subcommittee has said about our representatives in European countries is equally true about our representatives in South America. I found them to be a fine set of fellows—men who know the business they are trying to transact and who are thoroughly in sympathy not only with their home country but also with the countries to which they are assigned.

Mr. MOORE of Virginia. They measure up pretty well to the standard fixed for public service in the State of Iowa.

Mr. COLE. Well, almost. [Laughter.]

Mr. EATON of New Jersey. Will the gentleman yield?

Mr. SHREVE. Yes.

Mr. EATON of New Jersey. Last year we put through the House a bill authorizing appropriations for rent, light, fuel, and heat for the representatives of our country in foreign countries. Have you any appropriation for that in this bill?

Mr. SHREVE. Absolutely, and I just passed that a moment ago. The amount is $210,000.

Mr. EATON of New Jersey. Does that cover the lower grades?

Mr. SHREVE. It does not cover the clerks, and we never planned it to cover the clerks.

Mr. EATON of New Jersey. Why did it not cover the clerks? If the clerks are American citizens are they not entitled to the housing provided in that bill?

Mr. SHREVE. I will say that this is a new proposition; we just started it last year, and from the best information we can get there was no demand at that time that we go clear down to the bottom of the ladder and take care of the clerks. In fact, the act of April 12, 1930, authorizing this appropriation for the Foreign Service of the Department of Commerce provides for officers only.

Mr. EATON of New Jersey. That was the intention of the bill.

Mr. SHREVE. Not as far as we were concerned. There are various provisions with reference to the various departments.

Mr. EATON of New Jersey. The bill which was put through from the Foreign Affairs Committee had as its object the care of all our representatives abroad, and we think you ought to begin at the bottom instead of the top.

Mr. SHREVE. Well, the Rogers Act was passed in 1924. It provided for the Department of State, but nothing was done about it until last year.

Mr. EATON of New Jersey. The Department of State has been too modest in its demands.

Mr. LINTHICUM. If the gentleman from Pennsylvania will yield, I will say to the gentleman from New Jersey that the opinion which the gentleman has stated with reference to that bill is the opinion I had about it, namely, that the men all the way down would get something; but I find it is only applied to men in the career service. They are entitled, of course, but so are the clerks in the Foreign Service. In the Departments of Treasury, Agriculture, and Labor they get it all the way to the lowest grades. Why should not it be the same in the Foreign Service?

Mr. SHREVE. There are not so many of those men and it is not so expensive.

Mr. EATON of New Jersey. We have only about 600 of these people, and it seems to me a gross injustice to take care of people who are able to take care of themselves and not take care of those who are not able to take care of themselves.

Mr. McMILLAN. Let me ask the chairman in that connection, what is the policy of the committee with regard to making such provision as the gentleman refers to in the future? The gentleman says that he has not done so thus far; is it the intention to inaugurate such a policy at a later date?

Mr. SHREVE. The policy of the committee is that we are the representatives of the House, and whatever is the policy of the House shall become our policy.

Mr. McMILLAN. The policy of the House, it seems, has already been expressed in the passage of the law that the gentleman refers to.

Mr. SHREVE. There was no recommendation made by the Bureau of the Budget, and there was nothing said about it by the Department of State or any other department, and we did not hear a thing about it until we brought the bill on the floor of the House here.

Mr. McMILLAN. But the committee has authority under the law referred to to inaugurate such a policy.

Mr. SHREVE. It would not be proper to make suggestions to all these people as to what they should do.

Mr. OLIVER of Alabama. If the gentleman will permit, I may say to the gentleman from South Carolina [Mr. McMILLAN] it is very easy to suggest what should be done, but the gentleman must remember that the Congress does not always act hastily on these matters. There are other services, and if we begin to provide for the clerks in one service what are we going to do with respect to other services like for, say, the five allied services—Army, Navy, Public Health, Coast and Geodetic Survey, and Coast Guard? Are you going to provide the same thing for all other services? It goes a long way. The time has come when you must begin to economize somewhere and fix some limit, and you certainly can not set an example for one service and think it will not be extended to all other services.

Mr. EATON of New Jersey. We are extending it to other services.

Mr. McMILLAN. If the gentleman will permit, I understood the gentleman from Maryland a moment ago to state that in three of the other departments these employees are taken care of all the way down the line. It does seem strange to me that we should make a distinction of these employees in the Department of Commerce who are in the same classification. That is the only point I have raised, and if we have got the authority it seems to me that this distinction should not prevail.

Mr. DUNBAR. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. DUNBAR. This bill provides for the making of appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes, and the report on page 3 states under the heading of salary increases:

The Budget estimates for the four departments contained the following sums, distributed over the various items, as the first year's increment under the 3-year program for increases in salaries in the so-called underaverage grades.

And then further on in the next paragraph it states:

The bill contains the amounts for salary increases made necessary by the act of July 3, 1930 (Brookhart Act).

Under the Brookhart Act will not all the departments be entitled to this increase as provided in the various appropriation bills?

Mr. SHREVE. As I understand, the Brookhart Act is in force in all the departments coming under that act, and we should make appropriations to carry out the provisions of that act. Increases under the Brookhart Act are really automatic.

Mr. DUNBAR. The discussion we have had here, to my mind, indicated that it was not being carried out. Was I wrong?

Mr. SHREVE. Everything under the Brookhart Act is being taken care of.

Mr. DUNBAR. I know all the appropriations in departments above mentioned are as provided in the Brookhart Act, but are all the other appropriations in other departments?

Mr. SHREVE. Yes; I think all of them.

BUREAU OF THE CENSUS

For the Bureau of the Census the committee recommends $6,270,580, which is the third increment out of a total authorization of $39,593,000 for the taking of the fifteenth decennial census; $24,740,000 of the total authorization was appropriated during the fiscal year 1930, and for 1931 the Congress appropriated $8,497,000. The amount carried in the bill for the fiscal year 1932 is $2,226,420 under the appropriation for 1931.

BUREAU OF NAVIGATION

For the Bureau of Navigation and its various activities we have recommended a total of $496,280 for 1932. This is an increase over 1931 of $101,980; $90,000 of this increase is for the purchase and operation of a new vessel to be used in enforcing the navigation laws, and the balance is for some new personnel and increases in salary to comply with the Brookhart Act.

BUREAU OF STANDARDS

The amount recommended for the Bureau of Standards for 1932 is $2,874,570, which is practically the same as the Budget estimate, the difference being the amount of promotions deducted by the committee. This is $611,101 less than the appropriation for the current year, the greater portion of which is due to nonrecurring items, such as the construction of a hydraulic laboratory, for which a deficiency appropriation of $350,000 was made, and an item of $40,000 to replace one track-scale car. The balance of the decrease is distributed over 22 activities under this head.

BUREAU OF LIGHTHOUSES

For the seven activities under the Bureau of Lighthouses the committee has recommended a total of $12,072,680, which is divided as follows:

Salaries in Washington $112,800, an increase over 1931 of $2,800 for new personnel.

General expenses $4,550,000, an increase of $50,000 over the current year.

Salaries of keepers of lighthouses $2,105,280, an increase over 1931 of $35,280, which is required to comply with the Brookhart Act.

Salaries, lighthouse vessels $2,402,260, an increase of $33,900 over 1931, most of which is for new personnel.

Salaries, Lighthouse Service, $652,340, an increase of $11,000 over 1931, which is for new personnel, and to comply with the Brookhart Act.

Retired pay $380,000, an increase over 1931 of $56,000, which is necessary to meet the increasing liabilities under this appropriation.

Public works $1,870,000. This provides for the construction or purchase and the equipment of lighthouse tenders and light vessels, and for the establishment and improvements of aids to navigation, and so forth. This is an increase of $446,000 over 1931, $400,000 of which is for the construction of vessels, and so forth, and $46,000 is for the establishment and improvement of aids to navigation and other works.

COAST AND GEODETIC SURVEY

For the Coast and Geodetic Survey we recommend $3,063,056, an increase of only $42,952 over 1931, most of which is for the employment of new personnel.

BUREAU OF FISHERIES

For the Bureau of Fisheries we have recommended $2,905,540, or $282,480 more than was appropriated for the current year. This increase is distributed among the various activities of the bureau, and is set out fully in the report accompanying this bill.

PATENT OFFICE

There is an increase of $363,020 recommended for the Patent Office, or a total of $5,236,750, as compared with $4,873,730 for the current year. This increase has been distributed as follows:

Salaries $27,070, which is for new personnel.

Purchase of books, and so forth, $36,980, which is due to the fact that heretofore the contingent expenses of the Patent Office were paid from contingent expenses, Commerce Department, but will now be paid out of this appropriation.

Photolithographing, $80,000, made necessary by the increased demands made on the Patent Office for copies of patents, and so forth. The committee increased this item $30,000 over the amount of the Budget estimate, believing it to be a good investment because we were told by the Commissioner of Patents that for every $6 expended under this appropriation he is able to put $10 back into the Treasury.

Furniture and filing cases, an increase of $168,970 to provide steel filing cases and some steel furniture when the Patent Office moves into the new Department of Commerce Building.

Printing and binding, $50,000, due to the greatly increased number of patents which it is estimated will be issued during the fiscal year 1932. This money is all spent at the Government Printing Office.

BUREAU OF MINES

For the Bureau of Mines we have recommended a total of $2,278,765, which is a decrease under the appropriation for 1931 of $270,715; $213,180 of this decrease is due to the fact that the helium plant at Amarillo, Tex., is nearly completed, so that only $93,010 will be required during the year 1932 as compared with $306,190 for 1931. There is an increase for 1932 in but two activities under the Bureau of Mines, and that is $28,990 under the head of "Operating mine rescue cars and stations," which is for new personnel, the purchase of automobiles, and the erection of a garage at Jellico, Tenn., and $15,060 under the head of "Economics of mineral industries," for new personnel.

DEPARTMENT OF LABOR

The committee has recommended for the conduct of the Department of Labor for the fiscal year 1932 a total of $13,330,200, an increase of $1,609,030 over the current year, the greater part of which increase is for the Bureau of Immigration. I will submit for the RECORD a table showing the appropriations for 1931 for the various activities under the Department of Labor, the committee's recommendation for the fiscal year 1932, and the increase or decrease for 1932:

Appropriations for the activities of the Department of Labor

Office	Appropriations, 1931	Recommendations in bill for 1932	Increases for 1932 over 1931
Secretary's office	$778,760	$847,360	+$68,600
Labor Statistics	360,980	440,480	+79,500
Immigration	9,012,960	10,434,160	+1,421,200
Naturalization	1,156,970	1,149,020	−7,950
Children's Bureau	368,000	395,500	+27,500
Women's Bureau	158,500	179,900	+21,400
Employment Service	385,000	383,780	−1,220
Total	12,221,170	13,830,200	+1,609,030
Permanent annual appropriations	9,000	9,000	
Grand total	12,230,170	13,839,200	+1,609,030

I wish to say that the newly appointed Secretary of Labor came before the committee with a very strong recommendation for money to increase the number of people who may be deported from the United States annually. We found that the department had made demand upon the Bureau of the Budget and had been refused. So your committee took the responsibility of having an interview with both parties, the Director of the Bureau of the Budget and the new Secretary of Labor, Mr. Doak, and his assistant, and as a result of our efforts the Budget submitted a supplemental estimate for $500,000 which we included in the bill. This will give the Department of Labor an opportunity to increase very materially the number they are deporting every year.

The CHAIRMAN (Mr. ARENTZ). The time of the gentleman from Pennsylvania has expired.

Mr. SHREVE. Mr. Chairman, I yield myself five minutes more.

The CHAIRMAN. Without objection, the gentleman is recognized for five additional minutes.

Mr. SHREVE. We are going to help the Secretary of Labor all we can, and I am satisfied he will send out of the United States a very large number of people who are undesirable and should be deported.

SALARIES, SECRETARY'S OFFICE

The amount recommended by the committee for salaries, Secretary's office, is $216,060, an increase of $6,300 over 1931, which is to provide for three new employees.

PRINTING AND BINDING

There is an increase in this item over 1931 of $56,000. This increase is distributed among the different bureaus and services of the department and is explained in detail on page 6 of the Department of Labor hearings.

BUREAU OF LABOR STATISTICS

For salaries and expenses of the Bureau of Labor Statistics we have recommended $440,480, which is an increase over 1931 of $79,500. This increase is necessary in order that the bureau may comply with the act of July 7, 1930, which act provides that the Bureau of Labor Statistics shall collect, collate, report, and publish at least once each month full and complete statistics of the volume of and changes in employment. The act I have mentioned did not carry any appropriation for this purpose.

BUREAU OF IMMIGRATION

This year we are recommending a total of $10,434,160 for the Bureau of Immigration, an increase over 1931 of $1,421,200. The increase includes $500,000 additional for deportation of aliens, and the balance is due to additional personnel, $70,000 to provide allowances for living quarters, heat, light, and fuel for officers and employees of the service stationed in foreign countries, in accordance with the provisions of the act approved June 26, 1930, and $351,000 under the head of immigration stations, the bulk of which is to be expended at Ellis Island for repairs to the station and to the ferryboat there.

CHILDREN'S BUREAU

For salaries and expenses of the Children's Bureau the bill carries $395,500, or an increase over 1931 of $27,500. The increase is for additional personnel and travel expense.

WOMEN'S BUREAU

For this activity of the Labor Department the committee recommends $179,900. This represents an increase over the current year of $21,400, and is for the purpose of carrying on the study of the hazards to women employed in industry.

Mr. GIBSON. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. GIBSON. This is an appropriation bill for the Department of State, the Department of Justice, the Department of Commerce, and the Department of Labor. Your committee received from the President the Budget estimate?

Mr. SHREVE. That is correct.

Mr. GIBSON. On the last page of the report it shows that the Budget estimates for the departments concerned for 1932 are $138,304,193.34.

Mr. SHREVE. That is correct.

Mr. GIBSON. And the appropriation in this bill is $135,942,901.24. That shows a saving or a decrease or a cutting off from the Budget estimate of $2,361,292.

Mr. SHREVE. Yes.

Mr. GIBSON. It is an actual cutting down of the Executive Budget estimate?

Mr. SHREVE. It is a cutting down of the estimate that came before the committee. I will say to the gentleman that during the 10 years that I have handled this appropriation bill it has been our ambition every time not to exceed the Budget estimate. As long as we are under the Budget estimate, the amount recommended by the Treasury Department, we know that we are going along on a sound business basis.

Mr. GIBSON. During the last 10 years you have, generally, reported bills carrying less than the Budget estimates?

Mr. SHREVE. We have, every time.

Mr. GIBSON. The gentleman is aware that press and magazine articles accuse Congress of being extravagant and wasteful with the public funds. Is there any basis which the gentleman can conceive of as justification for such statements in the public press and the magazines?

Mr. SHREVE. I will say to the gentleman that as far as my observation goes, which covers these departments for many years, I do not know of any money that is extravagantly appropriated, and I do not know of any money that is not well spent. The committee has spent a great deal of time and it is well informed of the various activities, and the committee is not aware of any money being spent in a wasteful manner.

Mr. GIBSON. I think the committee and this subcommittee have been doing splendid work. The point I wish to bring out is that the committee is ever watchful of the expenditure of the public funds and in nearly every case it cut down under the presidential Budget estimate.

Mr. SHREVE. That is correct.

Mr. DYER. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. DYER. I want to ask the gentleman about several matters, but because of the lack of time I will ask him only at this time about the amount appropriated for the United States Court of China. I find, on page 28 of the bill, that the total amount is $41,650. The judge of the court receives a salary of $10,000, which would leave $31,650 to pay the salaries of the United States attorney, the United States marshal, the clerk of court, and the assistants to the officials of the court, as well as the messengers, and so forth.

I was in hopes that the committee would provide for some additional money to give to these employees of the Government in this far-away station which would enable them to live decently. What was the thought of the committee as to providing an increase for these officials of the Government?

Mr. SHREVE. The committee recognized the fact that the men in China are drawing the same salaries that they had in 1905 and 1907. The committee would have been very happy to make some increase, but unfortunately we were carrying out a program of having no step-ups. In order to be consistent, we could not very well give China an increase in salaries when we did not give any to the people of the United States.

Mr. DYER. I think the gentleman and his committee probably took the wrong viewpoint, because of the fact that these officials and employees are not in the classified service, and the attitude of the Congress toward them ought to be different from those working in the United States. Their salaries at the present time are entirely inadequate. They are far away in a foreign country and have no opportunity of earning any money other than what this Government pays them in connection with their work in this court.

The gentleman, of course, knows that the Department of State asks an increase for this court of $4,800, being a $600 increase in the present salaries of six of the officials and employees. Judge Purdy also urged this increase. I read from the hearings on the Department of State appropriation bill as follows:

Mr. SHREVE. Judge Purdy is somewhere in the city. Has he been before the committee?

Mr. CARR. He has not been before the committee, and I am sorry to say that he left yesterday morning on his way back to Shanghai. He feels very strongly about this. He talked with me several times about this increase which the Secretary has recommended. Of course, it was submitted on his recommendation. It means a promotion of the assistant clerk of the court from $2,400 to $3,000; the stenographer and court reporter from $2,400 to $3,000; two stenographers, $1,800 to $2,400; deputy marshal from $1,800 to $2,400; three assistant deputy marshals, $1,200 to $1,800. The judge feels that living expenses have considerably increased in Shanghai; the difficulties of living have increased and these people are getting small salaries for the responsibilities which they have. The judge feels very strongly that in justice to them and in justice to the kind of work they do and the conditions under which they live they ought to have a modest increase.

Mr. SHREVE. Their salaries have not been increased since 1906 or 1908, have they?

Mr. CARR. Their salaries have not been increased at all since they were first appropriated.

Mr. HENGSTLER. I think not; not any of these.

Mr. CARR. The judge's salary was increased by the general court act.

Mr. OLIVER. The judge came to see me about it. He said he would also see Mr. SHREVE if he had an opportunity. The reason he came to me and to some of the individual members that were available was the fact that he was called away and was prevented from appearing before the committee. He made to me substantially the same statement as you have outlined.

As indicating the intense interest that Judge Purdy feels in reference to this matter, he asked permission to state reasons why he felt these increases should be granted. Mr. Carr correctly set out the reasons for the increases which Judge Purdy expressed.

Mr. CARR. Great Britain and certain other great powers maintain courts in China, either independent courts or consular courts. The United States Court for China finds its origin in old treaties with China which conferred upon consular officers judicial jurisdiction over American citizens and suits against American citizens in China. China relinquished that jurisdiction to the American consuls, then it was found that the number and difficulty of the cases had grown so much that the consuls did not possess the qualifications or the judicial knowledge that was necessary properly to dispose of them. Therefore, an independent court similar to a district court in the United States was established. It was given the jurisdiction which the treaties conferred upon consuls.

This court was created by the act of June 30, 1906, and given exclusive jurisdiction over all cases and judicial proceedings at that time within the jurisdiction of the American minister and consuls except civil cases where the sum involved was not over $500 United States gold, and criminal cases where the punishment for the offense would not exceed $100 fine or 60 days' imprisonment, or both. In the latter class of cases the court was given appellate jurisdiction and was charged with supervisory control over the exercise of consuls and vice consuls of the duties prescribed by law relating to estates of decedents in China.

An increase of $4,800 in the appropriation for the United States Court for China is recommended by the judge of the court for promotions as follows:

Assistant clerk of the court	$2,400–$3,000
Stenographer and court reporter	2,400– 3,000
2 stenographers	1,800– 2,400
Deputy marshal	1,800– 2,400
3 assistant deputy marshals	1,200– 1,800

The judge states that the assistant clerk of court and the stenographer and court reporter should receive at the very least $3,000 a year and the stenographers $2,400. With regard to the deputy marshal and assistant deputy marshals he says that the present salaries are very inadequate. They are forced to maintain their homes, pay municipal taxes, meet high rates in light, water, and heat, clothe and feed themselves and families at a cost far greater than it would be in the United States. The costs of living here are at least 60 per cent higher than they were five years ago. Therefore, it is urgently requested that a raise of $50 a month per man be granted.

Mr. SHREVE. I think there is a good deal of merit in what the gentleman said, but we are in the unfortunate position of handling increases in salary in such a way that we did not think that we could make an exception of those in China.

Mr. DYER. My information is that, in order to keep those men there, it has been necessary to ask the Department of State again and again to advance some money out of another fund to pay them. I think it would be much better if the committee would allow the increase, which I understand amounts to very little.

Mr. SHREVE. It is very small.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. RANKIN. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Mississippi makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and three Members are present, a quorum.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 45 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman and gentlemen, I propose to discuss a question concerning which there has been a campaign or propaganda carried on more extensively than has been the case in respect to any measure that has come to this House during my stay here. It is a matter which so vitally concerns the welfare of the entire country that no Member can afford to be indifferent to it. Therefore I will greatly appreciate the courtesy of Members if they will remain on the floor and listen to the discussion. On December 3 and again on December 8 last I addressed the House on the Capper-Kelly price fixing bill. In those speeches I sought to direct the attention of the House to its objectionable features, and to demonstrate that it is not only economically unsound and indefensible, but that in operation it will have the opposite effect to that which is claimed for it. My effort at this time will be to reinforce the arguments heretofore made and give cumulative reasons why the bill should not pass; but let me say to you that before any conclusion is drawn that Members are willing to act upon, they should consult the decisions of the Supreme Court and thus familiarize themselves with the conditions therein dealt with, in order to have a better appreciation of what is sought to be done by this measure.

In the speech made on the 8th of December last I said that price-fixing privileges as proposed by this measure were limited to manufacturers and producers, but this statement was erroneous. The subject matter of the contract is identified in the bill as—

A commodity which bears (or the label or container of which bears) the trade-mark, brand, or trade name of the producer of such commodity, and which is in fair and open competition with commodities of the same general class produced by others.

But any owner of such commodity may make contracts concerning resale price. In other words, ownership is made the test of the right to make price-fixing contracts, and not production, as I am told, was the intention of the committee in adopting the amendment to the bill which relates to the fixing of retail prices, so far as the first transaction of sale is concerned. If the act is adopted, legalizing, so far as Federal law is concerned, contracts relating to interstate traffic, they would still be subject to attack. The bill deals with a single contract between the vendor and the vendee, but how can the principle of control of resale price be enforced except the particular contract becomes one of a system of contracts tending to create a monopoly or in undue and general restraint of trade? It is not permissible under the bill that the manufacturer shall extend his control beyond fixing the resale price of his immediate vendee, but when this vendee, say, the wholesaler, makes sale he executes the will of his vendor in order to exonerate himself from liability under his own contract to the manufacturer entered into for the benefit of the manufacturer, thus imposing upon a transaction the will of one who is no proper party thereto, and carrying his influence one step beyond the point where the act

says that it shall stop. It is not expected that price fixing by contract shall be confined to dealings between the manufacturers and the wholesalers. Mr. Crichton Clark, who has for many years been in charge of this movement, said in an article appearing in the Hardware Age of December 25 last:

> It is also clear under existing law that the manufacturer may always refuse to sell the wholesaler with or without reason, and he may certainly refuse to sell his goods to any wholesaler who in turn does not contract under the Capper-Kelly bill with his retailers as to the resale price at which the goods are to be sold.

So the wholesaler is to be forced to deal with the retailers under a contract system, and when he makes such contracts he forges a link in the chain that extends back to the manufacturer in whose benefit all the contracts are made, which establishes a monopoly and is in undue and general restraint of trade. Any general plan to fix prices, whether by agreement, express or implied, or by a course of dealing or other circumstances by which dealers are coerced into adhering to the fixed prices, will continue to be in violation of the Federal antitrust act.

On different occasions Members in discussing this matter with me have inquired as to the rulings of the several courts of the different States, and with your indulgence I shall consume a few minutes in giving you the benefit of my investigation. The courts of a number of States have sustained the validity of a price-fixing stipulation in a contract of sale, but in almost every instance there have been cautious reservations. For instance, that it was not shown that the contract created a monopoly, or was in general restraint of trade, or had a controlling effect on the entire output of a particular commodity, or was one of a system of contracts whereby one of these results was sought to be obtained. The better reasoning seems to be found in those cases which hold such contracts valid as reasonably necessary to the protection of the good will of the manufacturer, and not injurious to the public interest, so long as the restriction does not cover all or a controlling fraction of a given commodity and the price fixed is fair to the public in that it furnishes only reasonable profit to the contracting parties; also so long as a controlling number of manufacturers or wholesale dealers in such commodity have not made identical contracts with the retailers in such locality.

However, the courts seem to be almost equally divided upon this question, a great many having held such contracts invalid upon various grounds; some because in undue restraint of trade, others because they restricted unduly inherent freedom of alienation; others because such contracts were violative of State statutes and antitrust laws; and still others because violative of the Federal antitrust laws.

On purely intrastate transactions the adoption of the act would have no bearing, and upon these State laws would obtain. However, as to all matters relating to interstate transactions State laws will be compelled to yield to the act.

The Supreme Court has gone a long way in holding what constitutes interstate commerce. Such commerce is not confined to transportation from one State to another, but comprehends all commercial intercourse between different States and all the component parts of that intercourse. Where goods in one State are transported into another for purposes of sale the commerce does not end with transportation but embraces as well the sale of the goods after they reach their destination, and while they are in their original package. Contracts to buy, sell, or exchange goods to be transported among the several States are a part of interstate trade or commerce. Of course, after the goods have come to rest, after their interstate movement has ended, they lose their interstate character.

When a merchant puts his goods upon his shelves and retails them over the counter the transaction is purely intrastate so long as it is intended that they are not to be sent out of the State or transported out of the State by the seller. So a contract made between a seller and buyer relating to goods to be transported without the State where the contract is made or from another State into the State in which the contract is made by the terms of which the buyer obligates himself to sell at a certain price will be enforceable.

The advocates of this bill insist that it will regulate and standardize business, and will prevent price cutting, but when we come to the hearings we find the representatives of manufacturers of trade-marked goods contending that this class of producers is entitled to an advantage over all others, and the basis of this claim is that the good will and trade-marks of those manufacturers are properties that should not be subject to the ordinary hazards of trade; that a trade-mark should give the owner a preferential status before the law, and therefore relieve him from the competition of makers of other branded and unbranded goods. They profess interest in the wholesaler, retailer, and general public, but this is evidently insincere. What they want is enlargement of their patent-monopoly rights to the point to enabling them to control entirely the distribution of their goods, and as a result of this dominative influence thus acquire distribution of the goods of all others.

To gain the support of the small merchant who constitutes a part of the prey that they expect to feast upon, they say that they are against all unregulated price cutting, but when we turn to the evidence taken by the committee, though taken in 1926, we find this same representative of the so-called American Fair Trade League, the gentleman whom I have already quoted who characterizes the decision of the Supreme Court in the Miles case, written by the present Chief Justice, "as absurd," and who says that "only knaves and their dupes oppose" his price-fixing scheme, testifying as follows:

> You will be told by our opponents that the Capper-Kelly bill will compel stores which have a low cost of doing business to charge the same rate of profit as stores which have a higher cost of doing business. You must bear in mind that low-cost stores can reflect their lower prices to the public on all the unbranded goods they sell, and on such branded goods as are unrestricted, and they will charge uniform prices only on such branded goods as are sold to them under resale price contract.

Now, gentlemen, what does this language mean? It means that by this legislation all competition between branded goods, in retail, will be eliminated. This means that competition in manufacturing costs will likewise be eliminated, and it means more than this, it means that if price cutting injures the reputation of an article, then the producer, to protect his product, will brand it, and with all products branded all manufacturers will become merged into a combination of common understanding and unity of interest, and the wholesalers and retailers forced to comply with such terms as may be dictated.

One of the purposes of this bill is to reverse the relationship that exists between the manufacturer and retailer on the one hand, and the retailer and consuming public on the other. Instead of the retailer being the agent and servant of the buyer he becomes, under this bill, the agent and servant of the manufacturer. The retailer's interest is shifted from the class that supports him to the class that he supports. He takes orders from the maker and gives them to the buyer. His continuing in business is dependent upon sustaining the good will of those from whom he buys rather than of those to whom he sells. The consuming public gets no consideration whatsoever.

Under the existing theory of business the retailer, when he buys and pays for his goods, becomes the owner of them, and owes no duty to the manufacturer, but he does owe a duty to his customers, his trade, and that is to treat them fairly and to charge them no more than what will bring him a return of a legitimate profit; but how can he do this if the control of his business be transferred to the manufacturer? How can he determine what represents fair profit if the right to price his goods be denied him?

A regular customer continues regular so long as his confidence in his merchant is sustained. When he makes discovery that the merchant has lost interest in him he becomes an occasional buyer, and business can not live on the trade of the occasional buyer.

The hearings of the committee are suggestive of many illustrations showing how the retailer will be injured by the passage of this bill. Remembering that the purpose is to

permit the manufacturer to fix resale prices, which must be adhered to except under certain named conditions, what is the dry-goods merchant to do with remnants or unsalable stocks?

He may have a hundred or a thousand bolts of dress goods upon his shelves. He rarely sells by the bolt; purchases are in lesser amounts, and as a result remnants are left on hand. He can not induce movement by lowering price. They are not damaged and therefore can not be offered for sale as such. He does not want to go out of business, so he must keep them on hand, and as a consequence bury a large part of his profits. Or he buys a lot of ladies' and men's clothing. Some are of such colors and style as not to attract the buying public. Nothing will move them but bargain prices, but these he can not give.

Proponents of the bill say they are not opposed to low prices to the public, but this argument is exploded by the inquiry, Then why complain? The main purpose of the legislation is to increase prices, and this is easily demonstrable.

The Radio Distributing Corporation, of Newark, N. J., in a telegram sent on December 2, 1930, said:

> The Capper-Kelly fair trade bill will come up when Congress convenes, and we strongly recommend the passage of this bill. American industry needs this protection so that their advertised list prices will be maintained and not cut by unscrupulous retailers. American manufacturers and distributors are spending millions upon millions of dollars to advertise their products, and without the passage of this bill they are restricted from properly protecting their market against the unscrupulous retailer who endeavors to tear down everything that is built up by these responsible manufacturers and distributors. Anything you can do to help in the passage of this bill will be appreciated by us and by all legitimate manufacturers, distributors, and retailers.

Mr. Clark, who is carrying the burden of this fight, testified:

> There will be no tendency whatever for all goods to be sold under such trade-mark contracts. There will always be a public demand for unbranded as well as branded goods, and if too many manufacturers begin to use branded goods, an irresistible competitive demand will be created for fairly priced unbranded goods and fortunes will be reaped by those who undertake to supply the demand.

What is the inference to be drawn from this statement? It means that trade-marked goods, though unfairly priced, will hold their own in any trade war unless and until unbranded goods are fairly priced. But the same incentive that prompts one manufacturer to trade-mark his goods will likewise prompt the other, and with all goods trade-marked and all prices fixed by the manufacturer all will be high. This statement by the witness and others made in the hearing demonstrates one more thing, and that is the ineffectiveness of the legislation in curbing the chain store, and if the chain store is not to be curbed, then what possible interest can the retailer have in the legislation? I have elsewhere suggested how unfair trade practices can be restrained, and if the manufacturer and the retailer would manifest an interest in such legislation there would be, in my opinion, possibility of accomplishing something. But this deals with trade practices alone, and does not serve the concealed purposes of the manufacturer.

'The burden of proponents' contention is that price cutting injures the good will of the manufacturers of trade-marked goods. It has never occurred to them to mention the good will of other manufacturers, except to suggest that the price cutters operate upon them.

It is intended that the manufacturers shall be given the power to make the price structure rigid and unyielding to basic commodity fluctuation—that the fall of rubber from a price of $1.25 to 8 cents per pound will not be reflected in the price of the manufactured product. While the general commodity prices have fallen from 15 to 40 per cent, there has been no lowering of price of branded merchandise in the past 12 months, except in comparatively few instances. A list that I have before me shows that prices of these goods have increased more often than they have fallen.

Costs of merchandise under existing conditions are not entirely rigid and inflexible. There is variance in price, due to free goods, rebates on quantities, advertising allowances, and freight allowances, but all dealers do not get these. These practices will likely be continued, even if the bill should pass, being necessary in order to hold the business of the chain store. Some companies will set up subsidiaries and put out their products under a different name or no name at all in order to give price preferences to chain stores. Such subsidiaries are now maintained by reputable concerns.

Mr. KELLY. Will the gentleman yield?

Mr. COX. Yes.

Mr. KELLY. I do not want to interfere with the gentleman's course of argument, which is very interesting, but in regard to the point of reflecting a lower cost there is no need for us to theorize in respect to the effect of resale-price maintenance, because the automobile business is built on the maintenance of the resale price. What effect does lowered cost of production have on automobile prices? Is it not always reflected in lower prices?

Mr. COX. I did not yield to the gentleman to make a statement. If he will defer until I have finished my general statement I will be glad to answer any questions he may desire to ask. I expected him to ask that particular question and I think I am prepared to answer it.

There is no elimination of distribution costs in the bill, but just the reverse. In all merchandising there are three constant elements of cost involved—manufacturing, wholesaling, and retailing costs. The consumer must pay for all three services no matter who performs them. If the wholesaler is eliminated by direct dealings between the manufacturer and retailer, they will be done through the wholesaling department of the manufacturer and at added costs to the consumer, due to increased transportation costs and greater losses on bad accounts.

The real force back of all this price-fixing agitation is the consolidated will of the manufacturers of trade-marked goods and patent owners, led by the patent medicine makers. They are not satisfied with their partial control of trade but insist that it be made complete, in order that they may be protected against injury to their good will resulting from low prices brought about by competition.

Keeping in mind that good will is property, but property created at public expense, incorporated as a part of capital investment and on which the public is made to pay a dividend, further increasing value with further increased capitalization and at added costs to the public, let us see if the good will of the manufacturer is suffering, and if they need legislation against the operation of ordinary business laws. I hold in my hand a list of 57 leading national advertisers. The table contains their expenditures for newspaper and magazine advertisements for 1929; the good will on the balance sheet with the year on which the item appears, and their earnings for 1927, 1928, and 1929. This statement is as follows:

Expenditures of 57 leading advertisers for advertisements in newspapers and magazines

No.	Companies	Newspaper and magazine advertising[1]	Good will on balance sheet		Earnings		
			Year	Amount	1927	1928	1929
1	B. F. Goodrich Co	$1,162,220	1928	$57,798,001	$11,780,307	$3,513,023	$7,446,310
2	American Tobacco Co	8,035,963	1929	54,099,430	23,257,803	25,014,434	30,178,604
3	Liggett & Myers Tobacco Co	5,070,465	1928	40,709,711	18,743,395	19,408,644	22,017,128
4	Coca-Cola Co	590,750	1929	21,931,320	9,163,156	10,189,121	12,758,276

[1] Newspaper advertising estimates compiled by the bureau of advertising of the American Newspaper Publishers Association and magazine advertising compiled by Crowell Publishing Co. from a study of 30 magazines.

Expenditures of 57 leading advertisers for advertisements in newspapers and magazines—Continued

No.	Companies	Newspaper and magazine advertising	Good will on balance sheet		Earnings		
			Year	Amount	1927	1928	1929
5	P. Lorillard Co.	$3,787,345	1929	$21,268,339	$2,490,787	$1,817,428	$1,336,656
6	General Cigar Co.	1,533,000	1925	15,000,000	3,366,136	3,140,459	4,295,961
7	Cluett, Peabody & Co.	[2] 231,800	1929	6,000,000	2,281,978	1,359,014	663,540
8	Corn Products Refining Co.	732,989	1923	16,000,000	11,905,289	13,192,974	16,309,652
9	Ward Baking Co.		1929	11,522,359	4,231,896	3,293,543	3,124,414
10	Goodyear Tire & Rubber Co.	2,564,500	1927	10,314,275	13,135,666	13,327,844	18,614,375
11	Stewart-Warner Co.	[2] 144,500	1924	8,291,569	5,210,053	7,752,532	6,838,938
12	American Chicle Co.	180,845	1929	1,500,000	1,524,002	1,795,268	2,107,597
13	V. Vivaudou (Inc.)	201,250	1929	7,952,310	1,012,191	355,704	1,110,583
14	Wm. Wrigley, Jr., Co.	652,637	1929	6,081,061	9,767,347	11,068,618	11,608,708
15	Borden Co.	674,565	1929	7,000,000	7,154,445	11,354,331	20,403,725
16	Julius Kayser & Co.	336,050	1929	5,644,000	1,729,199	2,109,661	2,810,268
17	Manhattan Shirt Co.		1929	5,000,000	1,357,420	1,008,643	971,048
18	Hartman Corporation		1929	4,992,992	1,012,634	935,931	[1] 1,103,432
19	National Biscuit Co.	331,000			16,277,158	17,883,365	21,423,571
20	Simmons Co.	1,374,372	1929	1,721,420	4,253,164	4,275,371	4,695,572
21	Hershey Chocolate Corporation		1926	[3] 6,314,128	4,160,770	6,456,388	7,435,780
22	Torrington Co.		1928	500,000	1,862,011	2,194,407	3,207,386
23	R. J. Reynolds Tobacco Co.	1,272,550	1926	1,316,691	29,080,665	30,172,563	32,210,521
24	Pyrene Manufacturing Co.		1929	1,002,450	191,539	218,527	332,869
25	Radio-Victor Corporation	[2] [4] 1,448,984	1929	444,867	8,478,320	19,834,799	15,892,562
26	General Foods Corporation	3,607,925			11,368,219	14,555,683	19,422,314
27	Procter & Gamble Co.	4,153,406	1928	2,883,055	17,717,331	15,579,335	19,148,934
28	Colgate-Palmolive-Peet Co.	5,432,384			8,279,485	6,212,156	8,910,631
29	Congoleum-Nairn (Inc.)	[5] 1,098,300	1929	1,000,864	1,057,420	1,462,046	2,213,831
30	Campbell Soup Co.	1,933,150					
31	Calumet Baking Powder Co.[4]	[2] 101,350					
32	Pepsodent Co.	1,526,848					
33	Lever Bros. Co.	[2] 604,060	1927	1,000,000	2,365,509		
34	H. J. Heinz Co.	1,612,200					
35	Lambert Pharmacal Co.	[2] 2,082,748			4,630,191	6,079,376	5,455,723
36	Vacuum Oil Co.	1,080,500			25,559,899	37,659,458	36,767,628
37	Armstrong Cork Co.	1,240,200	1929	624,772	3,752,552	3,931,964	4,980,536
38	Eastman Kodak Co.	737,800			20,142,161	20,110,440	22,004,916
39	Hart, Schaffner & Marx	899,500	1929	10,000,000	2,244,573	2,583,799	2,514,676
40	Swift & Co.	1,480,400			12,202,493	14,813,182	13,076,815
41	American Radiator & Standard Sanitary Corporation	576,700			[6] 12,057,315	[6] 12,413,742	[6] 20,012,171
42	Cliquot Club Co.	845,800					
43	Ford Motor Co.	[7] 4,761,710	1924	20,517,985	42,786,727	[8] 72,221,498	[8] 81,797,861
44	General Motors Corporation	30,671,215	1929	50,680,425	239,264,724	273,559,091	247,317,743
45	Chrysler Corporation	1,039,846	1929	25,000,000	19,484,880	30,991,795	21,902,168
46	Dodge Bros.	[2] 350,480	1927	7,926,326	9,641,427	[9]	[9]
47	Standard Oil Co. of Indiana				30,132,456	77,337,166	78,499,754
48	Willys-Overland Co.	3,411,780			6,341,520	6,382,358	[2] 4,979,857
49	United States Rubber Co.	939,229	1929	58,925,372	6,233,792	[2] 10,781,225	576,009
50	Hupp Motor Car Corporation	2,774,500	1924	3,858,921	2,719,164	8,790,221	3,468,936
51	Sun Maid Raisin Growers' Association	[2] 201,700			7,099,104	5,158,387	
52	Graham-Paige Motors Corporation	1,946,050			1,980,942	1,055,679	[2] 1,463,588
53	Quaker Oats Co.	884,735	1929	10,152,881	7,253,745	7,586,360	8,052,836
54	Andrew Jergens Co.	1,204,600					
55	Pond's Extract Co.	1,193,725	1929	359,570			
56	Cudahy Packing Corporation	1,221,530			2,353,959	2,567,327	2,512,851
57	General Electric Co.	3,884,921			48,799,488	54,153,806	67,289,880

[2] Magazine advertising only.
[3] Goodwill of predecessor company, Hershey Chocolate Co.
[4] Newspaper advertising for 1928 was $1,700,000.
[5] Calumet Baking Powder Co. is a subsidiary of General Foods Corporation.
[6] These figures are for American Radiator Co. only. In 1929, the company merged with the Standard Sanitary Corporation and acquired its present title.
[7] Represents 8 subsidiaries only.
[8] Deficit.
[9] Chrysler Corporation acquired business and assets of Dodge Bros. in 1928.

The list shows the good will of a single company running as high as $59,000,000, and the annual advertising costs of another mounting up to approximately $31,000,000.

Corn Products Refining Co., with good will capitalized at $16,000,000, increased its net income from $6,326,358 in 1921 to $16,309,652 in 1929.

Borden Co., makers of Eagle Brand condensed milk, with good-will value at $7,000,000, increased its net earning from $7,154,445 in 1927 to $20,403,725 in 1929.

When a mother buys a can of Eagle Brand condensed milk for her infant child she pays a price that represents not only scandalous profit on physical values but a like profit on the reputation of the maker—named good will—valued at $7,000,000.

Take Liggett & Myers Tobacco Co., makers of Chesterfield cigarettes, spending above $5,000,000 annually for advertising, with good will valued at $40,709,711, increasing net earnings from $9,163,156 in 1927 to $12,758,276 in 1929.

The American Tobacco Co., makers of Lucky Strike cigarettes, with annual advertising cost at $8,035,963 and good will capitalized at $54,099,430, increasing its net earnings from $23,257,803 in 1927 to $30,178,604 in 1929; and R. J. Reynolds Co., makers of Camel cigarettes, with an annual advertising cost of $1,276,550 and good will valued at $1,316,691, increasing its net income from $20,080,665 in 1927 to $32,210,521 in 1929, all increasing the price of their products here at a time when the raw tobacco grown by the farmer is taken at a price that represents less than one-half of cost of production.

Look at the record of the American Radiator, now Standard Sanitary Co., a part of one of the most complete trusts in the country, at a time when raw materials are low, raising the price of their products, and this, too, after running their net profits from $12,057,315 in 1927 to $20,012,171 in 1929. The different units of the old Bathtub Trust are solidly behind this bill and have been writing Members of Congress to support it. Look to the record of any of this special-privilege class and say if there is excuse for perpetrating this awful conspiracy against the people. To illustrate what the patent-medicine makers are doing, let me quote you from the record of the hearings:

On March 18, 1926, the stock of the Lambert Co., which was to take over the ownership of 56¼ per cent of Listerine was offered the general public. The company was capitalized as follows:

	Shares authorized	Shares to be issued
Common stock (without par value)	[1] 1,000,000	281,250
Deferred stock (without par value)	100,000	100,000

[1] 100,000 shares are to be reserved for conversion of the deferred stock.

This stock was offered at $41.75 per share. On this basis the 281,250 shares of common stock to be issued had a value of $11,742,187.50.

Now, what did this $11,742,187.50 represent?

According to Gerard B. Lambert, president of the Lambert Pharmacal Co., the net tangible assets of the company were approximately $1,000,000. As the newly formed Lambert Co. owned only 56¼ per cent of the net tangible assets, the $11,742,187.50 represented $562,500 of net tangible assets and $11,179,687.50 of "good will." This, however, was stock which represented only 56¼ per cent of the "good will." The value of the entire "good will" on the same basis was therefore $19,875,000. Consumers of the company's products, therefore, pay not only dividends on tangible assets of $1,000,000, but on "good will" of $19,875,000; and, of course, all the costs of production, advertising, and distribution.

The advertising history of the Lambert Pharmacal Co. is exceptionally interesting. The company was founded 47 years ago. Until 1921 Listerine was marketed with practically no expenditure for advertising. Then high-pressure methods of marketing were adopted. The growth of the advertising expenditures is indicated by the fact that in 1925 advertising expenses were $3,000,000. What followed is told in the following table:

Net profits of Lambert Pharmacal Co. after Federal income taxes at 13½ per cent.

Year ended December 31:	
1922	$724,542.53
1923	1,078,437.31
1924	1,499,210.77
1925	2,011,940.89

This makes ownership of the name Listerine better than ownership of a gold mine. That the exploiters of the name appreciate the fact is demonstrated by their policy of launching new products from time to time, such as Listerine tooth paste and Listerine throat tablets. The name is plainly going to yield its uttermost fathering of "good will."

In view of these facts it is absurd for manufacturers who market their product in this way to plead that there is any necessity for the Kelly bill in order to protect their good will or to protect them from so-called price cutting on the ground that it destroys the market for the products they manufacture.

Let me illustrate what the patent-owner sharks are doing to the public by way of getting dividends on their good will. Squibbs sodium bicarbonate, sold to retailer at 21 cents, carries a charge of 14 cents for good will. Pond's Extract (witch hazel) sold to the retailer at $1.29, carries a charge of 76 cents for good will. Colgate vaseline, sold to retailer at 57 cents, carries a charge of 30 cents for good will. Nujol (mineral oil) sold to retailer at 57 cents, carries a charge of 25 cents for good will. Bayer's Aspirin, sold to retailer 100 at 76 cents, carries a charge of 49 cents for good will. Agaol (mineral oil and aga) sold to retailer at 83 cents, carries the amount of 53 cents for good will. Carbona, sold to retailer at 18 cents, carries the amount of 14 cents for good will. Old Dutch Cleanser, sold to retailer at 64 cents, carries the amount of 25 cents for good will. Venida hair nets, sold to retailer at 83 cents, carries 5 cents for good will. Prophylactic toothbrush, sold to dealer (three rows) at 30 cents, carries a charge of 17 cents for good will, and (four rows) sold to dealer at 36 cents, carries a charge of 20.5 cents for good will. B. V. D.'s, sold to retailer at $1.05, carries a charge of 34 cents for good will. Royal Baking Powder, sold to retailer at 37 cents, carries a charge of 20 cents for good will. Scott's Emulsion, sold to retailer at 71 cents, carries a charge of 25 cents for good will.

And this list might be run into the thousands. Do you think the protection of the good will of these medicine makers and others sufficient justification for this conspiracy against the American people?

Reduce high costs of distribution! Who, in the face of this record, will dare presume to impose upon your credulity such an assertion?

Is there no satisfying the hunger of greed? This octopus, the patent owners, think they have you bound with commitments made without knowledge of the effect of a vote for this monstrosity, but I can not believe such to be possible.

Let me give you one more illustration of what the patent owners are doing and able to do under existing law. The Gillett razor, while original patent was in force, retailed at $5, but when the monopoly expired the price of the razor fell to 27 cents.

With this act adopted it will be no longer necessary that manufacturers conspire to control markets, for the act sets up the conspiracy and turns them loose as licensed pirates upon the public.

When same resale price to dealers in same community is fixed, as the act says shall be done, what becomes of competition as between dealers; and when the dealer fixes the resale price of all retailers in same community, as the act says shall be done, what becomes of competition between retailers and where is the bargaining power of the consumer? The retailer whose capital is small and whose place of business is unattractive, who keeps no clerk, can no longer draw trade by lower prices. The right to give the consumer the benefit of his low cost of operation he will no longer have. He simply passes out of the picture with all his trade going to the place of style and great show.

Let no Member deceive himself about this bill. It simply disarms the public of its shield of the law, raises the breastworks of privilege, and renders hopeless the cause of the millions who depend upon Congress to give them justice and fair play. The tragic part of this whole controversy is the deception that has been practiced upon the small retail merchant. He has been told that the measure is sound, that it is competitive rather than monopolistic, that it increases competition between manufacturers, is not against the public interest, that it will help him, and he believes these things. He has been told that it will relieve him from the killing competition of chain stores and make him the master of his own business, and he believes these things. He has been told that the manufacturer can fix the resale price of all dealers and retailers, with lower costs to the consumer, that business of all retailers will be standardized with profits guaranteed, and he believes these things. So why try take the truth to him and have to defend it? Why not leave him the victim of his own false opinion? The public knows nothing of the matter. Why not just leave it alone as the patient and docile beast to take this new blow?

While it is ordinarily true that one who procures a thing to be done will not be heard to complain at law, but if this bill passes and the retailer finds that he has been entrapped, he will turn to you and demand to know why you permitted such a thing to be done, and it will be no sufficient answer for you to say that you complied with his request, for he will tell you that the question was complicated, that right decision required study, that material for such study was available to you, that you were Congressman not he, that the responsibility was yours and not his, and with this he will spew you out. But what will the victimized public do when it awakens to its betrayal? Your own good sense gives you answer.

Let me say to you farmer-minded Members who stress equality of treatment as between all classes, and to you Members who insist upon squaring all legislation with the public good, indeed, to all Members who seek right solution of every public question, which embraces the entire membership of the House: With understanding of this measure there is presented the test of your faith; for your vote will put you either on the side of the people or against them. To stumble into a conclusion will excuse no one. The question is too vital for surface consideration. It demands bringing into play your patriotic ideals and your lofty statesmanship.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GRIFFIN. I yield to the gentleman 10 minutes more.

Mr. STAFFORD. Will the gentleman yield?

Mr. COX. I will be glad to.

Mr. STAFFORD. The gentleman cited a most interesting tabulation of figures showing the retail prices of various articles as compared with the good will of different manufacturers, varying in different instances. I wish to inquire what was included in the basis of the computation as to good will?

Mr. COX. That includes income upon the valuation of good will and also all advertising costs. The gentleman understands that good will is the reputation of a business

concern built upon advertising the cost of which is borne by the consuming public.

Mr. STAFFORD. In this instance how does the gentleman arrive at the proportion of good will as compared with the retail price?

Mr. COX. The basis of the tabulation is found in the hearings before the Interstate and Foreign Commerce Committee in 1926, and the value of the article itself was arrived at by figuring the cost of a competitive article, which competitive condition was verified by the United States Testing Co. in the city of New York. The basis for that statement appears in evidence in the hearings, beginning on page 290 and continuing until that particular subject is concluded.

Mr. STAFFORD. As I remember the statement of the gentleman, he gave the retail price and the good will.

Mr. COX. I did not give the retail price in that statement. I simply gave the price of the wholesaler or the manufacturer to the retailer, and not the price to the consumer.

Mr. STAFFORD. In that list did the gentleman have any basis for estimating the value of the goods?

Mr. COX. Absolutely; and the basis for every assertion I made are facts that are embodied in the record of the hearings.

Mr. STAFFORD. That is the testimony of one individual, or the testimony of various manufacturers?

Mr. COX. That is the testimony of one individual.

Mr. STAFFORD. Who is that?

Mr. COX. Percy Straus, of the Macy Co., of the city of New York, but every assertion made by Mr. Straus was verified by the findings of the Testing Co., which is likewise embodied in the record of the hearings, the accuracy of which no one has as yet questioned.

Mr. KELLY. The gentleman states that the whole tabulation as to the value of good will added on the price comes from one individual, and it might be well to state that Percy Straus represented the Macy chain of stores, which is known as one of the most notorious price cutters in the United States.

Mr. COX. Very well, but no witness that appeared was more impressive than Mr. Straus, and none half so well prepared to sustain the truth of every assertion made. I will quote from one of the gentleman's own witnesses, not a witness that appeared before the committee, and yet the record of his transactions does appear in this case. I refer to the Lambert Co. In other words, there was no witness who appeared before the Committee on Interstate and Foreign Commerce that even attempted to contradict or refute the testimony given by Mr. Percy Straus with reference to these same matters. I call attention to the record from which I have just quoted, and that is with reference to the Lambert Co. Here was a company with physical properties valued at a million dollars. Mind you, it is one of these large business enterprises that are here clamoring for price-fixing legislation. The evidence showed—and it is by the confession of the president of the company—that their physical values were $1,000,000, and yet the good will was put at a value of approximately $20,000,000, and when the consuming public buys an article at a cost of 20 cents, 1 cent represents the cost of production, plus the profit of the article itself, and 19 cents represents the contribution that the public is making in order to create a dividend on a fictitious thing, and that is the value of good will fixed at $19,000,000.

Mr. EDWARDS. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. EDWARDS. We have listened with great interest to the gentleman's splendid address, which has been most enlightening. Will the gentleman state if he knows what the attitude of organized labor and farm organizations is with respect to this proposed legislation?

Mr. COX. I understand that the American Federation of Labor has taken no official action upon this bill or upon any of the kindred measures that have been pending before previous Congresses. However, you will find in the record of the hearings of 1926 a letter from Mr. Green, addressed to Mr. Harold Young, which expresses opposition to the bill; but I happen to know that Mr. Green is not in a position at this time to be quoted on this subject. With respect to the Grange, you will find in the hearings more than one statement coming from individuals authorized to express the attitude of the Grange on the subject in opposition to the bill. I happen to have a letter from the American Farm Bureau Federation, written by Chester H. Gray, the Washington representative, on December 19, 1930, in which he says:

> In reply to your inquiry of December 16 relative to H. R. 11, the Capper-Kelly bill, let me say that the American Farm Bureau Federation is now, and has been for several years, opposed to such legislation.

Of course, reflecting, as I understand it, the welfare of the people who make up this great farmers' organization, the organization could do nothing other than to express its opposition to the bill, which is in itself a thrust at the very heart of the masses. The letter continues:

> In the American Farm Bureau Federation annual meeting of December, 1927, the organization announced its position opposing legislation which would ask retail price fixing. That resolution meant the then pending Capper-Kelly bill—it being interpreted by the farmers in the Farm Bureau as permitting manufacturers really to fix the price over the retail counters at which their commodities should be sold.
>
> Then in 1928 we reannounced our position in opposition to retail price fixing. In December, 1930, the first resolution adopted reads: "The policies of the American Farm Bureau Federation heretofore expressed in annual meetings are reaffirmed, and unless repealed herein, or inconsistent herewith, are declared to be in full force and effect."
>
> Since there is nothing in the American Farm Bureau Federation resolutions of 1930, which repeals the two resolutions above spoken of, or modifies them, then, of course, the former position of the organization continues to be as it was in 1927 and 1928.
>
> Thanking you for this opportunity of again expressing our opinion in the matter, and with highest personal regard, I am
>
> Very truly yours,
>
> AMERICAN FARM BUREAU FEDERATION,
> CHESTER H. GRAY,
> *Washington Representative.*

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. LAGUARDIA. Without expressing my views as to the merits of the bill, it has seemed to me that the members of the Farm Bureau are the last people in the world to complain about price fixing.

Mr. COX. The gentleman understands, of course, that when the farmer takes his produce to market he does not put the price upon it.

The other fellow makes the price. If he wants a plow stock or if he wants a hoe, or if he wants any ordinary farm implement, or anything else, the price is named for him. He does not make it. Conditions are such that that can not be changed, and he will always be in that position so far as trade and commerce is concerned.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Cox] has again expired.

Mr. OLIVER of Alabama. I yield to the gentleman from Georgia five additional minutes, Mr. Chairman.

Mr. CLARK of Maryland. Will the gentleman yield?

Mr. COX. I yield.

Mr. CLARK of Maryland. I have read the gentleman's speeches on this subject, and they are all very interesting.

Mr. COX. I thank the gentleman.

Mr. CLARK of Maryland. I understand one of the substantial objections to this bill is that it destroys the bargaining power of the consumer.

Mr. COX. Of course, I presume that is conceded by everyone.

Mr. CLARK of Maryland. I am not entirely clear on that and I want information. How would the bargaining power of the consumer be destroyed with respect to any particular commodity if the consumer could turn to a competitive product that is offered to him?

Mr. COX. I understand the point which the gentleman is making. For instance, take the maker of Wesson cooking

oil, under existing conditions the consumer wanting a can of Wesson cooking oil can go into a store in a back street where the proprietor does all of his work, where the rents are low, where the operating costs are at the minimum, and he can get it at a price that is lower than he can get it if he went to the fashionable store on one of the main streets. That is the condition as it exists now. If this bill is passed, the price that that little merchant in the back street makes to the consumer will be the same price that is offered by the fashionable store on the main street. In other words, the price is uniform.

Mr. CLARK of Maryland. But this bill only applies with respect to competitive commodities?

Mr. COX. That is right.

Mr. CLARK of Maryland. But in what way would the bargaining power of the consumer be destroyed if the consumer could always turn to a competitive product on the shelf. Does not the producer of price-maintained competitive product take all the chances in such a case?

Mr. COX. Suppose we take the manufacture of Wesson cooking oil. By the way, the meat packers are likely to be tremendously interested in this legislation and that is emphasized by the recent decision of Mr. Justice Bailey, of the Supreme Court of the District of Columbia, in which the packers' consent decree was modified.

Mr. ABERNETHY. Well, we will probably pass it if they are in favor of it.

Mr. COX. They will probably be for it. The manufacturer of Wesson cooking oil, if this bill is passed, will fix the price the same at the place where the product is processed and put out as it is at the most distant point in the country. No allowance whatever is made for freight or anything like that. In other words, the manufacturer wants the bill because he can establish a universal price for his commodity. That is conceded.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. COX. I yield.

Mr. HUDDLESTON. Wesson cooking oil is produced under a special patented process and there is no competition in the sale of that oil.

Mr. CLARK of Maryland. Then this law would not apply.

Mr. HUDDLESTON. You either buy Wesson cooking oil or you do not get anything at all, for it has no competition in its particular field. All these people who have products affected by this bill have succeeded through expensive advertising campaigns in making the public demand their particular product so as to take it out of competition and secure a monopoly. Wesson cooking oil, Manhattan shirts, Stetson hats, and the other producers of all of these trademarked commodities have succeeded in making the public think there is no competition with their particular products; they have thereby secured a monopoly and therefore there remains no bargaining power in the hands of the consumer. He wants a Stetson hat. How can he buy a Stetson hat except by buying a Stetson hat? How can he buy a Manhattan shirt without buying a Manhattan shirt? How can he buy Wesson cooking oil without buying Wesson cooking oil?

Mr. CLARK of Maryland. Then, if a man is determined to buy a Warner hat in competition with other hats just as good, how is he hurt by voluntarily paying the maintained price?

Mr. HUDDLESTON. He does not know that the other hat is as good a hat.

Mr. CLARK of Maryland. If there are competitive hats and he is determined to have a Warner hat, he should pay the price.

Mr. COX. The gentleman is willing to concede the force of the statement of the gentleman from Alabama [Mr. HUDDLESTON], which was given in reply to the question propounded by the gentleman from Maryland?

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

The gentleman from Georgia [Mr. Cox] has consumed one hour.

Mr. OLIVER of Alabama. Mr. Chairman, I ask unanimous consent that I be permitted to yield to the gentleman from Georgia one additional minute.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COX. The gentleman will concede that a patent gives its owner a monopoly of production of that particular patented article. With that in the gentleman's mind, there is no competition in production. Being able to fix universally the resale price there will be no competition in the retailing to the public. Therefore the competition that is referred to is that which comes from the manufacturer of some other similar or kindred product. [Applause.]

Mr. ACKERMAN. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY. Mr. Chairman and members of the committee, I am sincerely grateful to my colleague from Georgia [Mr. Cox] for the presentation of this subject of the Capper-Kelly fair trade bill.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. OLIVER of Alabama. Mr. Chairman, immediately following the gentleman from Pennsylvania [Mr. KELLY] I will yield 30 minutes to the gentleman from Georgia [Mr. CRISP], who desires to discuss a certain proposed rule which I feel every Member will be interested in, and I wanted to make that announcement so that the committee would understand to whom I would next yield. [Applause.]

Mr. KELLY. Mr. Chairman, the gentleman from Georgia [Mr. Cox] on three different occasions recently has addressed the House on this subject of resale-price agreements, which is of vital importance. I am grateful to him, because this is a problem that deserves the attention of every Member of this House, and it is fundamental. I agree that it concerns our business situation and our social and our economic system. I have tried for a good many years to have this question understood here and elsewhere, because I believe it to involve the future of the business life of the Nation. Therefore I believe that we should discuss and decide this question.

The gentleman from Georgia [Mr. Cox] is, without doubt, mistaken in his fundamental premise regarding the bill. He attempts to deal with this problem as if we were conferring some new and strange monopoly power. I think my record in this House will show that my efforts have been consistently opposed to private monopoly. This is an anti-monopoly measure; for if we allow present conditions to continue, we are encouraging monopoly, encouraging centralization of merchandising, and the control of marketing in a very few hands.

It is an easy matter to continually refer to price fixing in an effort to discredit the purpose of this measure. This bill fixes no prices; it compels no manufacturer to fix a price; it gives the Government no power to fix prices; it forbids price fixing through combination.

What it does is to take the power of price fixing on identified goods, whose makers really desire to protect their good name and good will, out of the hands of those dealers who have no interest in those goods except to use them for their own ulterior purposes. It will permit the control of such prices by vendors and vendees who honestly desire to sell those goods in efficient service of the public.

The price fixed by these predatory price cutters has no relation to the value of the goods. They are used as bait in a bargain trap.

On November 5, 1914, the Commissioner of Internal Revenue issued Treasury decision 2052, which reads as follows:

> The law requires the manufacturer to stamp on his product the actual retail value. You state you can not control this price. Nevertheless, it is believed that no one is so competent as the manufacturer to determine the retail price or value of his products, and he will be held strictly responsible for due compliance with the statute.

This bill is founded on the belief so well expressed in this decision. It puts price control on identified goods in the only hands which should have it—those who are really inter-

ested in the products and the prices which will secure public patronage.

Let us get in our minds what this measure is. This bill ought to be taken as it stands and its meaning understood. Let me read the first section, which is the very kernel of this measure which has been under discussion for so many years:

That no contract relating to the sale of a commodity which bears (or the label or container of which bears) the trade-mark, brand, or trade name of the producer of such commodity, and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed to be unlawful, as against the public policy of the United States, or in restraint of interstate or foreign commerce, or in violation of any statute of the United States by reason of any agreement contained in such contract.

That the vendee will not resell such commodity except at the price stipulated by the vendor.

The gentleman from Georgia started out in his first speech with the statement that this measure was futile and would not accomplish the purpose of effective control of the resale price of an identified product where wholesalers were involved.

He has changed that opinion and now states that it will accomplish its purpose, but that the wholesaler will be dominated by the manufacturer. The fact is that the legitimate wholesaler, threatened with extinction by great merchandising corporations which eliminate him but not the expense of his function, is eager to have the opportunity to cooperate with the independent manufacturer and independent retailer for straightforward business and the protection of the public against deceptive methods.

However, there is now agreement between us that the bill is not a futile measure, but will accomplish the end which I contend will be beneficial and which he contends will be harmful.

Let us go a step farther to clarify the situation. To what kind of commodities does this bill extend? It covers only trade-marked merchandise and does not apply at all to bulk, unnamed, and unidentified goods.

Mr. BURTNESS. The gentleman does not mean to say that this applies only to trade-marked articles, does he?

Mr. KELLY. I mean to say that it applies to identified goods—trade-marked and trade-named articles.

Mr. BURTNESS. That is a different proposition. The gentleman now says it applies to identified trade-named articles. That is an entirely different proposition.

Mr. KELLY. No; it is not at all. Identification is the requirement. The whole purpose of a trade-mark is to identify an article, and that is what we are trying to cover, solely—identified products.

Mr. BURTNESS. There should be no misunderstanding about the matter. It must be admitted that it applies to any article which bears some identification mark on it that shows who the producer is.

Mr. KELLY. Of course, do not let us quibble about that. The whole purpose of the trade-mark is to identify the product.

The Supreme Court has itself recognized that the trade-mark is not a monopoly. That question was involved in the case of United Drug *v.* Theodore Rectanus Co. (248 U. S. 90). The court said:

The law of trade-marks is but a part of the broader law of unfair competition; the right to a particular mark grows out of its use, not of its mere adoption. Its function is simply to designate the goods as the product of a particular trader and to protect his good will against the sale of another's product as his; and it is not the subject of property except in connection with an existing business. * * * In truth a trade-mark confers no monopoly whatever in a proper sense, but is merely a convenient means of facilitating the protection of one's good will in trade by placing a distinguishing mark or symbol—a commercial signature—upon the merchandise or the package in which it is sold.

In the bulletin issued by the Bureau of Patents for the information of those seeking to register trade-marks the facts are clearly stated. I quote:

A trade-mark is a distinctive word, emblem, symbol, or device, or combination of these, used on goods actually sold in commerce, to indicate or identify the manufacturer or seller of the goods. The mark must have been used in interstate or foreign commerce, or in commerce with the Indian tribes, before an application for registration can be filed. * * * Ownership of a trade-mark arises from its use, so it must be used before it can be registered.

A registrable mark is one used with merchandise. The law makes no provision for the registration of marks used only in connection with service, such as insurance, bonding, banks, collection agencies, etc. The mere names of varieties of fowls, animals, fishes, vegetables, etc., can not be registered as trade-marks, e. g., anyone raising Jersey cattle or Fultz wheat has the right to sell the natural increase under the same name.

A firm can not secure a trade-mark for merely descriptive words. For instance, the Gulf Refining Co. popularized the name "No-Nox" for gasoline and spent a great deal of money in making it known. A trade-mark was refused recently on the ground that it was merely descriptive.

The merchandise which may be covered by trade-mark is given by the bureau under 50 different classifications. There are hundreds of different trade-marks now being used in each of these classes and the very possession of the trade-mark proves that there is abundant competition.

It must be clearly understood that no single trade-marked product is ever a necessity of life. No one can have a trade-mark covering bread and soap and shoes. There may be "Blank's bread" and "Jones's soap" and "Brown's shoes," but the very possession of the trade-mark is proof of competition.

As a matter of fact, there are hundreds of separate trade-marks covering these and all other classes of products. If they are given the right to which they are in all justice entitled, that of selling those distinctive products on their merits as to uniform quality and at a competitive, uniform price, they will compete fairly and energetically for the patronage of the public. Then if "Blank's bread" or "Jones's soap" or "Brown's shoes" fail to measure up in quality or in price to the desire of the consumer, their makers will go out of business, and some other maker will secure the business.

The plan I am here advocating is the only one under which the consumer can be perfectly sure of obtaining the article he wants—the price-cutting system means that every attempt will be made to force upon him the article which somebody else thinks he ought to buy.

Now, Mr. Chairman, it appears to be the theory of the gentleman from Georgia, that if this measure should be a benefit to independent manufacturers, it would inevitably react to the injury of consumers.

That theory is as utterly baseless as Ricardo's Iron Law of Wages, which declared that wages of labor could never rise much above the level of subsistence. If wages should rise above that level, the laborers would have more children, thus furnishing an oversupply of labor and wages must naturally fall.

American industry explodes that fallacy just as it has exploded the fallacy that if the maker and distributor of goods profit the consumers must suffer.

There is no conflict of interest between these two parties. Their interests are identical. Read the Hoover report on Recent Economic Changes in the United States, which is an unanswerable proof of that statement. That report declares that "leaders of industrial thought propound the principle of high wages and low costs as a policy of enlightened industrial practice."

Mr. Chairman, the cost of producing goods can only be reduced by producing in large quantities, thereby reducing the overhead until the charge against each unit is comparatively negligible.

If Henry Ford only produced 1,000 automobiles a year, he would have to sell them for $25,000 each or go out of business. By producing a million a year he can sell them at $600 each. Mass production makes possible the possession of a car for practically every family.

The fact is that the manufacturer to-day and also those who distribute his products can not profit at all unless the consumer also profits. It is the consumer who buys the product, but he will only buy when he wants the goods and when the price is low enough to suit his purse.

In 1895 only four automobiles were made in the United States. Only a few dozen workers were employed in the

entire industry. It was a number of years before any appreciable number was produced because the price was so high that the automobile was only a rich man's toy. When mass production brought the prices down where people could buy them, the sales of cars reached enormous totals.

Mr. Chairman, there is no conflict but community of interests. By assuring fair and honest competition on a standard-price basis we will bring about the same benefits which have come from standard production. Business is not an end, it is a means to an end, and that end is the promotion of the general welfare and prosperity. It will do that best on a square-deal basis, which this bill aims to assure.

Now, Mr. Chairman, let us consider this argument of the gentleman from Georgia that lower cost of production would not be reflected in lower prices for standard goods protected under resale agreements.

We have had abundant proof that in time of rising prices the manufacturers of nationally known standard goods will fight to the utmost against any increase in their price.

During the World War we witnessed an orgy of profiteering and prices were skyrocketed in a way never before known, but not on prices of standard trade-marked goods. The commission which studied prices during the war repeated again and again that while bulk, unnamed products were sold at prices which meant shameless, extortionate profits, the widely advertised standard goods were sold at stabilized prices.

There was a reason for this, and it applies in time of falling prices just as well. That is, that in the merchandising of identified standard goods any uniform increase in the standard price means a lessened demand and an injury to the good will of the manufacturer, while a uniform decrease increases the demand and adds to the value of good will.

Fair competition operates with the same force in a period of falling prices as in a period of rising prices. The independent manufacturer can not name a price which is too high, for if he does he can not sell his goods. All that is needed to destroy his business is to have the buying public think, rightly or wrongly, that his prices are excessive. As a matter of fact, the manufacturer of an identified product meets declining commodity prices by increasing weight and quality and by decreasing price. Any retailer with practical experience will tell you that there is more danger of the manufacturer insisting upon a retail price which is too low to cover a fair profit rather than that he will take the opposite position.

A manufacturer invests his money, his time, and his efforts to produce a certain commodity and spends large sums to secure consumer support. He can not obtain consumer support if the value and price are out of line with similar merchandise. Therefore the tendency is always to make the retail price low enough to result in increased production. While at present the juggled prices of price cutters have confused the situation as to the real standard price, many reductions have actually been made. One firm manufacturing a standard tooth paste had a so-called standard price of 50 cents. It was sold on a basis so that the independent could meet chain-store competition to a point of 39 cents. Within the last year that firm has made its price 36 cents and is endeavoring to have its product sold only by independent dealers at that price.

Why theorize about what will happen? We know what has happened in the automobile business, operated exclusively on the price-maintenance basis. Every reduction in production costs, every advantage of falling commodity costs, has been reflected in the retail price of the product. And at the same time the price has been uniform with the same chance to every purchaser who knew that he was getting better quality at a lower price.

Lower uniform price in order to stimulate consumption is the aim of every maker of identified goods. That aim is followed whether prices in general are rising or falling, and it is a benefit to the consumer in either case.

Now, Mr. Chairman, the gentleman from Georgia has cited a number of manufacturing concerns which have made, as he contends, enormous profits and whose good will is valued at many millions.

Many of those concerns will find new competition developing as soon as this bill is enacted. Many of them right now have the power to control the price of their products through expensive methods sanctioned by the Supreme Court. Some of them have their own chain stores and sell direct to the consumer. Some of them use the consignment system and others have exclusive-agency contracts.

The little independent manufacturer in all the lines mentioned are under a hopeless handicap at present, and it is that kind of manufacturer I am interested in. Give him a chance to sell his standard product on its merits and his right to protect the price against manipulation of those who desire to use the goods as bargain bait and you will see him a real competitor for these giant concerns.

No one here undertakes to take out of the hands of great corporations the right to control their prices by methods sanctioned by the Supreme Court. I maintain, then, that the public welfare demands that we add the inexpensive, efficient method of agreement which will permit the small manufacturer to compete with these others in the marketing of his product.

There is another question raised here to-day, and that is the attitude of the National Farm Bureau and other organizations of the kind.

President Sam H. Thompson, of the American Farm Bureau Federation, delivered an address at the twelfth annual convention held in Boston on December 8, 1930.

He pointed out control of distribution by the producer is just and necessary to progress. I quote his words:

> Selfish interests that have opposed development of a producer-controlled commodity-marketing system have attempted to mislead consumers into thinking the successful establishment of a farmer-owned and farmer-controlled marketing system would increase the cost of foodstuffs to the consumer. That is not true. It is the unrestricted development of the speculative system that has increased the consumer cost. This expensive system is what we are trying to replace with a producer-controlled marketing system.

Now, I give President Thompson credit for intellectual honesty. He will not argue that the farmer-producer be given a right which an independent manufacturer-producer may not have. Every word of his statement applies to one as to the other. If his logic is good as applied to the farmer-producer control, not meaning higher prices to consumers, it is good also as applied to the maker of a standard, trade-marked article, whose success depends upon his supplying a good article at a reasonable price.

This statement is inspiring proof that the farmers of this country are coming to see clearly the evils of the cut-throat system of marketing standard goods.

I have in my possession a letter sent to me by L. J. Taber, master of the National Grange, in which he says:

> It has been brought to my attention that in various parts of the country chain stores have in many instances sold potatoes, milk, watermelons, and other farm products below actual cost in order to attract trade. The practice has been to make "leaders" of these and similar commodities and to depend on the sale of other merchandise for profits.
>
> The effect in such cases has been to greatly depress the price of farm products in the sections where these practices prevailed.
>
> The National Grange is in favor of protecting the interests of the agricultural producer from undue depression in price, while safeguarding the interests of the consumer by the adoption of such measures as will insure fair and honest competition.

Out of my high regard for Mr. Taber I am convinced that he means exactly what he says and that he stands for fair and honest competition. I believe the National Grange as a whole stands for that principle. Then it must follow that if making farm products "loss leaders" is an evil, so also there is an evil in using goods stamped with the individual maker's name as bargain bait at ruinous prices in order to sell other goods on which high profits may be made.

Once let that evil and its results be understood and you will witness a great forward stride toward fair and honest business.

Mr. YON. Will the gentleman yield?

Mr. KELLY. I yield to the gentleman.

Mr. YON. The intention of the bill that the gentleman has introduced, and which has been reported by the committee, is to maintain a fair price for trade-marked merchandise and to keep one merchant from taking advantage of this competitor by cutting the price unfairly?

Mr. KELLY. Exactly. Such a practice destroys the good will of a good article which the public desires.

Mr. YON. Also, we know that there are certain interests in business in this country to-day that are cutting prices for something they know the people are accustomed to buying at an advertised price, and if they can use that as an advantageous piece of advertising and attract customers to their store, that is what they are doing it for.

Mr. KELLY. Yes; it is bargain bait for the purpose of luring customers into the store, not to sell them these goods, but to sell them other goods on which an excessive profit is made.

Mr. YON. To the disadvantage of the independent dealer as well as the small manufacturer.

Mr. KELLY. Yes; in many cases to the destruction of the independent dealer.

Mr. BLANTON. Will the gentleman yield for a friendly question?

Mr. KELLY. I yield.

Mr. BLANTON. What I have in mind is where these chain stores, for instance, put up Lea & Perrin's sauce, which, as is well known, sells for 30 cents, and then as a leader they advertise it at 15 cents to get suckers in their store and sell them other articles at a tremendous profit.

Mr. KELLY. That is this unfair practice in a nutshell.

Mr. BLANTON. What other way have we of reaching such a transaction other than by the gentleman's bill?

Mr. KELLY. No way that I know. Congress can only deal with this question through some sort of protection of a standard article that goes into interstate commerce. Those who have protested that they favor the independents against these gigantic consolidations but are opposed to this bill have not provided a measure which would deal with the problem at all. They are content to oppose this measure, which is the only one that has been suggested dealing with this tremendous concentration in merchandising, and which has been discussed for many years.

Mr. MORGAN. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. MORGAN. Is it not the fact that the easiest method of destroying competition of small producers would be a refusal to protect his trade-mark?

Mr. KELLY. Yes; and many have been destroyed on that very basis. The gentleman from Ohio is absolutely right. The little independent manufacturer is helpless in the face of an attack upon him by these nation-wide retail organizations. He has no recourse, and yet I want to bring to the attention of the committee right now the fact that there are manufacturers that do have protection against this very cut-throat practice. The Supreme Court of the United States has never said that there is anything wrong about the maintenance of a resale price. They have given it their judicial blessing through several methods. In the case of Henry Ford they permit him to name the resale price of every automobile he makes, and the price is uniform all over the United States f. o. b. Detroit.

Mr. COX. Will the gentleman yield?

Mr. KELLY. I yield to the gentleman.

Mr. COX. The gentleman, I am sure, is not contending that Henry Ford is carrying on his operations under a resale-price contract?

Mr. KELLY. I contend he is maintaining his price through exclusive-agency contracts.

Mr. COX. But his resale price is merely suggested to the dealer.

Mr. KELLY. No; the resale price of the Ford car is laid down to the dealer.

Mr. COX. I understand that; but it is not binding upon the dealer, if the dealer be the owner of the article itself.

Mr. KELLY. That is not the question involved.

Mr. COX. That is the test of the gentleman's statement.

Mr. KELLY. I will say that in my estimation——

Mr. COX. That is the sole question involved; in other words, you have given this House to understand that the fixing of resale price by contract is indulged in by Henry Ford and that it is sustainable under the law. I challenge that statement and say——

Mr. KELLY. I am sorry I can not yield for a statement.

Mr. COX. Is he not simply suggesting the resale price?

Mr. KELLY. Let me complete my answer.

Mr. YON. If the gentleman will permit, it might not be that he has any contract that will force him, under the law, to maintain that price——

Mr. COX. You can not force him under the law.

Mr. YON. But he has the fear of losing his contract with the Ford Motor Co. if he cuts the price.

Mr. KELLY. And, of course, that is the most effective power possible and produces the desired results.

Mr. COX. Every manufacturer has that same power.

Mr. KELLY. But not the capital necessary to do it. I would like to continue my statement, and if I may be allowed to continue, I am sure I will answer these questions that come up without taking so much time.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. COOPER of Ohio. Is it not a fact that Colgate's products are sold at a resale price?

Mr. KELLY. They are trying to do it through refusal of sale.

Mr. COOPER of Ohio. And that they are sold at the same price at all stores?

Mr. KELLY. They are endeavoring to do that in every way possible. There have been several Colgate cases in the courts.

Mr. COX. But the contracts are not binding on the retailer.

Mr. KELLY. No; there can be no contract. Now let me continue: I make the statement, without fear of contradiction, that Henry Ford and the automobile manufacturers of the United States have operated from the beginning on a legal price maintenance plan. They stipulate the price and maintain the price to the last unit, and the Supreme Court has said that that was legal and valid. As a matter of fact, the cars have to be paid for in advance. The car is not shipped out until the money is paid.

Mr. COX. Will the gentleman yield?

Mr. KELLY. I yield to the gentleman.

Mr. COX. Do I understand the gentleman contends in the automobile trade that the manufacturers of automobiles have the right to bind the dealer by contract?

Mr. KELLY. By exclusive-agency contracts; yes.

Mr. COX. By the power of refusing to sell him?

Mr. KELLY. Yes; but there is an express contract.

Mr. MORGAN. But it is effective.

Mr. KELLY. That is the point I make. Now, under the General Electric Co., a new practice comes in. They sent out their Mazda lamps and waited until they were sold, maintaining the resale price, and the Supreme Court said it was legal.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SHREVE. I yield the gentleman 10 minutes more.

Mr. KELLY. Mr. Chairman, I maintain that the great corporations, the manufacturers with unlimited capital, are able to maintain their price to the last unit, but that the little manufacturers are not able to do so under present conditions.

The little independent manufacturer has no protection, for he has not the capital necessary. I am interested in him, and I am contending that every independent maker of standard goods who puts into an article his name, his character, and his money, ought to be able to protect it against piracy in business. He ought not to be confronted with the unfair practice by which his article is used as a bargain bait and then put it under the counter so that unidentified substitute goods can be sold at an immense profit.

I am also interested in the independent dealers of this country—a million and a half of them—who are able to serve their neighborhoods better than any chain store ever organized in New York or Chicago.

Mr. Chairman, I have no apology to make for making the best fight I know how to make for the independent business man in America. He has been the backbone of our commercial system, with its marvelous progress.

This Nation has been built on the principle of individual initiative. Other forms of government have sought to select those who would enter the race for the prizes and also those who would win. America has undertaken to train all the runners and give them an equal start and see that they had a fair chance to win the prizes of life.

Any system of business which tends to monopolize opportunity and to prevent Americans from using their individual initiative is alien to our ideals.

It is a priceless right for a young man to stand on his own feet and to stake his fortunes on his own abilities, to capitalize his character and his personality in a business under his own name. It is a most bitter fate for a man, capable of independent action, to be forced to spend his life in taking orders as to every trivial duty and forever be debarred from the fine adventure of making good on his own merits.

I would rather have a hundred small manufacturers with a sense of individual proprietorship putting their lives and enthusiasm into making products bearing their distinctive names than to see one great corporation turning out a hundred products.

I would rather see a thousand merchants, each building up his own reputation and good will through efficient service of his friends and neighbors, than to see one system with a thousand units, each in charge of a hired manager, in the community to-day and gone to-morrow.

Presidents in their messages have taken that view; courts in countless decisions have pointed out the vital importance of such diffusion of proprietorship; Congress has passed many laws to prevent monopolies from destroying small business men.

Yet for a number of years the law intended as a shield to protect the independent business man has been transformed into a sword to ruin him. And to-day we find men vigorously and violently opposing the attempt to restore the law to its real function and purpose.

Worst of all, they reproach us with attempting to do the very thing we intend to remedy. They cry "Monopoly" against an antimonopoly measure. They shout "Oppression of the consumer" against an effort to free the consumer from fraud and extortion. They weep over the danger of injury to the retailer, who is being destroyed because of the lack of the square deal this bill gives him. They prophesy the very evils we desire to cure.

Such tactics will not avail. Here is the only measure now before this Congress for the protection of the independent business man against the danger of unjust domination in merchandising. Those who believe in independent business should lend a hand now.

Mr. MORGAN. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. MORGAN. Is it not a fact in the automobile trade in a large number of corporations they absolutely dictate to their customers the retail price, and unless the small operator conforms they, through their power, can control the entire product and in effect the resales?

Mr. KELLY. That is true. The little manufacturer can not compete. Already under the present cutthroat system mergers have become the order of the day. These independent concerns, many of them, are now banding themselves together Why? Not because they desire to give up their distinctive name and the reputation that some of them have built up through many years but because they are being forced to merge for the protection of their own product against pirates in the retail business.

Mr. CLARK of Maryland. And is it not also the fact that the real purpose of this bill is to restore to the people the merchandising right they always enjoyed up to 1911?

Mr. KELLY. Yes.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes.

Mr. BLANTON. I am interested in 120,000,000 consumers of the United States who are having all of their local independent retail merchants taken away from them and are forced to trade with these chain stores.

Mr. KELLY. That is the situation and the whole community loses under such conditions.

Mr. BLANTON. And when they go in there and buy $3.40 worth and come to pay their bill there have been instances where they have been handed a bill for $4.40 or $5.40, when they do not have time to count their purchases and the prices, and they pay the excess and are robbed, and numerous unsuspecting people never find it out.

Mr. KELLY. There have been cases of that kind.

Mr. COX. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. COX. The gentleman has said in effect that price fixing by contract was permissible until 1911.

Mr. KELLY. Yes.

Mr. COX. Of course, the gentleman is referring to the decision in the Miles case.

Mr. KELLY. That is right.

Mr. COX. Did not the court hold that the contract was not only violative of the antitrust act, but was likewise contrary to national public policy and against the common law.

Mr. KELLY. I understand the question of the gentleman and I will answer him.

Mr. COX. And that system of doing business has been under the condemnation of law all the time, and it was not made so by the decision interpreting the law.

Mr. KELLY. I decline to yield further. The gentleman from Georgia had an hour and more and I did not take his time.

Mr. COX. But I did not make inaccurate statements.

Mr. KELLY. I can back up every statement that I have made. These conditions I complain about are due largely to the change in merchandising which came about from that decision in 1911. Up to that time it had never been questioned in the Supreme Court that the manufacturer of a trade-marked standard article had a right to make a resale price contract which was legal, and in the earlier Doctor Miles case of 1906 it was declared by the district Federal court that such a right was absolutely essential to the conduct of his business—not only legal but necessary to his existence. I believe that decision to be a true statement and that there is only a slight difference in the facts between the Doctor Miles case in 1911 and the General Electric case.

The Supreme Court, under the Doctor Miles case, ruled out the contract. In the General Electric case it validated the consignment contract. This bill simply means that a resale-price contract will have the same effect it had prior to 1911. It is the restoration of a right which was held by business men up to that time. Is anyone going to say that there is anything revolutionary about this bill? Is there anything revolutionary about a measure which simply restores what was held legal up to 1911?

Mr. COX. Mr. Chairman, will the gentleman yield? Is not the gentleman familiar with the rulings of the courts of this country on price fixing?

Mr. KELLY. I am familiar with them and I have read every case.

Mr. COX. If the gentleman says that the decision of the Supreme Court in the case in 1911 was the first pronouncement on the subject, he is in error. There are prior decisions of inferior courts which held price fixing by contract illegal.

Mr. KELLY. Oh, let the gentleman cite those and put them in the RECORD. The first case on resale-price agree-

ments that came to the Supreme Court was in 1911, and that is the decision which has led to the present situation.

With the gentleman from Texas [Mr. BLANTON], I am interested in the consumer, and this question is not a question alone as to the welfare of the little retailers of the country—a million and a half of them in the communities of America. It is not even of the greatest importance if little manufacturers must be forced out of business, but it is vastly important whether we are going to destroy the individual initiative which has been the American foundation stone in business, and this bill deals with that very question.

If we allow this cutthroat competition of to-day to continue for the next 10 years as we have permitted it to go on for the last 10 years we will see a combination in control of merchandising which will bring a monopoly danger such as we have never faced, because a selling monopoly is a far greater menace than a monopoly of production. The investment of a billion dollars may not mean a monopoly in production while an investment of $500,000 in one community may take over all outlets of distribution. That selling monopoly as far as it has grown has largely been built up by this unfair-trade practice of using trade-marked articles as bait in order that the people may think that all other goods in the store are sold at equal bargain prices. The gentleman from Georgia [Mr. Cox] referred to Mr. Strauss talking about good-will value in certain prices, and that there is 25 cents added for good will in certain small products. Do you suppose for a minute that a manufacturer in competition with 100 other manufacturers of the same class of goods could deliberately set down a 25-cent charge as good will? His good will depends only on his price and quality in competition.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I am sorry, but I can not yield further. His good will depends on the price and quality. If he advances that price to a point where it is excessive compared with others he loses his good will, and his trade-mark, instead of being an asset, is a liability.

Articles have lost all their good will because of lessened quality. The quality brought appeal and patronage followed, and then, thinking to make more money, perhaps, the makers gave lower quality, and the article went off the market because the people would not buy.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. KELLY] has again expired.

Mr. SHREVE. I yield to the gentleman from Pennsylvania two additional minutes.

Mr. KELLY. Mr. Chairman, the entire interest of the public is in fair trade. All laws against unfair competition are enacted on the principle that the public ought to be protected against fraud and deceit in business. That is the purpose of this bill. It is a bill for the protection of honest business and for the protection of the public against dishonest practices. If passed, it will, I am sure, bring just relief to honest business in the United States, which is to-day handicapped in the service of the public.

Mr. ERK. Will the gentleman yield?

Mr. KELLY. I yield.

Mr. ERK. This bill carries out the policy of "live and let live."

Mr. KELLY. Precisely; a square deal in business, for the public good.

Mr. ERK. Every Member of this House, I am sure, has seen small business concerns wiped out from time to time. Is it not better to have a hundred more or less small but happy, contented taxpayers in one community than to have one man making millions by himself?

Mr. KELLY. That is it exactly. And my colleague from Pennsylvania [Mr. ERK] and I have American tradition with us in that contention. That tradition has never been better expressed than by the Supreme Court of Ohio in a Standard Oil case when it said:

> A society in which a few men are the employers and the great body are merely employees or servants is not the most desirable in a Republic, and it should be as much the policy of the laws to multiply the numbers engaged in independent pursuits or in the profits of production as to cheapen the price to the consumer. Such a policy would tend to an equality of fortunes among its citizens, thought to be so desirable in a Republic, and lessen the amount of pauperism and crime.

Mr. Chairman, the Member of this House who votes for this bill takes his stand for every little manufacturer who makes a quality, identified product, and backs it with his name and guaranty against every similar article in the world.

He takes his stand for every wholesaler in the land, who is an essential factor in efficient distribution.

He takes his stand for every independent retailer, who serves his patrons better than any unit in a huge chain ever can serve them.

He takes his stand for the consumers who desire to pay a fair price for the articles they buy but who are being duped and cheated by fake bargains which mean a penny put in one pocket and a dime taken out of another.

He takes his stand for the local community, which is always injured by the domination of foreign-owned business, whose only object is to exploit, never to preserve and develop.

Some of you have served long in Congress and some of you will serve many years to come. In my deliberate belief you have never had and you will never have a chance to cast a vote for a measure more beneficial to honest business or one more in line with the fundamental American principle, so well expressed by Theodore Roosevelt as "a square deal to every man and woman and little child." [Applause.]

Mr. BLANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. The gentleman from Georgia [Mr. CRISP] is going to discuss one of the most important subjects we have before Congress. Would it not be in order at this time to make a point of order of no quorum and get a fair count so that we can get the membership here, or at least have the bells rung so that the absent Members may know about it? They should all hear his speech.

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. CRISP. I hope the gentleman will not pursue that course. I do not desire a point of no quorum made.

Mr. OLIVER of Alabama. Mr. Chairman, I yield to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Chairman and members of the committee, this bill carries the annual appropriation for the Bureau of Foreign and Domestic Commerce. If there is one agency in the Government that repays in services rendered to the taxpayer 100 per cent for the amount disbursed, in my opinion, it is the Bureau of Foreign and Domestic Commerce.

I am especially interested at this time in the work of the bureau in connection with domestic commerce.

I commend the committee for increasing the appropriation for this division and including in the appropriation money to carry on the survey of current business. This function was transferred to the Bureau of Foreign and Domestic Commerce and one can not estimate now the full value that will be derived from this activity which is interlocked with the census on distribution authorized by the Congress for the first time in the 1930 census.

The survey known as the Louisville national grocery-store survey is about complete and ready for editing and publishing. It has already been shown the survey has been of great value to the independent merchants of Louisville, and likewise will be of benefit to the grocery trade of the entire country.

The next outstanding survey provided for in this appropriation will be the drug-store survey in my city, St. Louis. It will cover one full year and five representatives of the bureau, headed by Wroe F. Alderson, chief business specialist, arrived in St. Louis during the present week.

The drug trade has pledged itself to an amount of $75,000 for this work, which is evidence of complete cooperation.

The national drug-survey committee selected St. Louis for the study. Eight independent and two chain stores have been chosen for the survey. From time to time the results of the survey will be available to those interested.

There are many reasons why this survey will be of great value to the merchants of the country.

One of the great differences between independent merchants and organized groups of merchants lies in the ability of the latter through their wealth and ramifications to keep constantly in touch with and apply the very latest thought in merchandising practice. The average merchant, while equally worthy, can not do so because of his lack of such facilities. Independent merchants are turning to the Department of Commerce by the thousands for just this kind of help and that help must not be denied them.

It is well known that the majority of retailers and wholesalers have been too haphazard in their methods of operating. It is true that most of them have been slow in instituting systems of cost accounting and inventory control such as have so immensely benefited the merchants who have done so. The great accomplishments of such projects as the Louisville survey, for example, lie in the proof they build up that practically every merchant can make a better showing by modernizing his methods in these respects. This emphasis is positive and not negative. The big job that is clearly ahead of the Department of Commerce is that of bringing to every merchant in the country a realization (1) of the heavy losses that he incurs annually through lack of merchandise and market control, and (2) that such control can be acquired in the form of simple and orderly systems that will put him on a par with heavily financed multiple-store groups without necessitating extra expense.

The Department of Commerce has been at the utmost pains to make sure that the results of this work could be used by the independent merchant, large or small. Just two months ago it was ascertained from a store-to-store check-up that almost without exception the stores surveyed in Louisville are now doing a larger business with the same investment and overhead expense, or are showing a larger net profit on volume formerly enjoyed. Capping this test is Bradstreet's startling announcement that the number of grocery failures in Louisville declined 80 per cent last year in the very teeth of business depression.

It is common knowledge that a substantial part at least of the unemployment problem already has its source in the large number of annual retail and wholesale failures with their consequent sloughing of men into the street. The big outstanding lesson of Louisville survey is that these middle class and small merchants do not need to fail; that a remedy is available in the form of improved methods, popularized throughout the country. Over 15,000 merchants failed in 1929 and they must have made an enormous contribution to the ranks of the unemployed. The toll of jobbers and manufacturers has been likewise devastating. The department feels that many of our middle class and small merchants are failing simply through imperfect understanding of modern merchandising methods that heavily capitalized groups can afford to evolve and apply. The country needs those merchants. Every community needs them. In the mass, there is no more solid element in our national life. The Department of Commerce is the perfectly natural and efficient agency through which they can keep abreast of the times. To my mind, it is largely through nation-wide application of the principles being worked out by that department in cooperation with all the trades that this dangerous tide is to be stemmed.

The following is a list of the members of the National Drug Survey Committee in a large degree responsible for the inauguration of the survey:

NAME OF ASSOCIATION AND REPRESENTATIVE

American Association Colleges of Pharmacy, C. E. Caspari, dean St. Louis College of Pharmacy.

American Bottlers of Carbonated Beverages, Carl A. Jones, president, Bristol, Va.

American Drug Manufacturers' Association, C. G. Merrell, W. S. Merrell Co., Cincinnati, Ohio.

American Manufacturers of Toilet Articles, William L. Crounse, Washington representative, Washington, D. C.

American Pharmaceutical Association, Dr. S. L. Hilton, chairman of council, Washington, D. C.

American Pharmaceutical Manufuacturers Association, Carson P. Frailey, G. D. Searle & Co., Chicago, Ill.

American Surgical Trade Association, W. C. Kloman, 38 South Dearborn Street, Chicago, Ill.

Clock Manufacturers Association of America, W. S. Hays, secretary-treasurer, Philadelphia, Pa.

Coca Cola Bottlers' Association, J. M. Drescher, director of research, D'Arcy Advertising Co., St. Louis.

Druggists Research Bureau, Alfred W. Pauley, member executive committee, St. Louis.

Eastern Soda Water Bottlers Association, Junior Owens, representative, Washington, D. C.

Federal Wholesale Druggists Association, Paul Pearson, U. R. E. Druggist (Inc.), Baltimore, Md.

Glass Container Association, W. L. Davis, member executive staff, New York, N. Y.

Greeting Card Association, J. C. Hall, Hall Bros., Kansas City, Mo.

International Association of Ice Cream Manufacturers, Fred Rasmussen, executive secretary, Harrisburg, Pa.

Master Photo Finishers' Association, Walter W. Hicks, vice president, Washington, D. C.

National Association Boards of Pharmacy, A. C. Taylor, member executive committee, Washington, D. C.

National Association of Drug Manufacturers, Robert L. Lund, vice president, Lambert Pharmacal Co., St. Louis.

National Association of Retail Druggists, Dr. A. C. Taylor, chairman executive committee, Chicago, Ill.

National Chain Drug Store Association, Associated Chain Drug Stores, G. E. McCann, Washington, D. C.

National Commercial Fixture Manufacturers' Association, C. F. E. Luce, secretary, Grand Rapids, Mich.

National Confectioners' Association, Louis B. McIlhenney, president Stephen F. Whitman Co., Philadelphia, Pa.

National Conference on Pharmaceutical Research, Dr. L. L. Walton, Williamsport, Pa.

National Gift and Art Association, W. S. Hays, secretary, Philadelphia, Pa.

National Publishers' Association, George C. Lucas, executive secretary, New York, N. Y.

National Wholesale Druggists' Association, H. H. Robinson, St. Louis, Mo.

Ohio Valley Druggists' Association, J. Otto Kohl, chairman trades committee, Cincinnati, Ohio.

Proprietary Association, E. F. Kemp, president A. H. Lewis Medicine Co., St. Louis, Mo.

Rubber Manufacturers' Association, C. N. Holligan, department manager, A. L. Viles, secretary, New York, N. Y.

Western Confectioners' Association, L. C. Blunt, treasurer, president W. C. Nevin Candy Co., Denver, Colo.

St. Louis Retail Druggists' Association, Ben Griesedrick, president.

International Association of Display Men, National Electric Manufacturers' Association, Wholesale Stationers' Association, O. P. Merryman.

The primary results of the Louisville survey are set out in the following report just issued by the Bureau of Foreign and Domestic Commerce:

A report on the 26 grocery stores and various wholesale houses connected with the Louisville National Grocery Store survey clearly indicates the broad movement for trade betterment which has taken place there as a direct outcome of the study made by the Bureau of Foreign and Domestic Commerce. Several stores have literally taken on new fronts, have installed modern lighting systems, have put in new shelves, and are attractively displaying their merchandise on central-island tables. It is most significant that such remodeling, in practically every instance, has resulted in more sales, in some cases accounting for as much as a 35 per cent increase. Then, too, the inauguration of an orderly and convenient arrangement of goods has greatly reduced the work of operating some stores, making it possible for the clerks to spend more time in keeping the shelves dressed for the day's business. Slow-moving, dust-accumulating stock has been replaced in nearly every store by "best sellers," with a consequent release of capital for reinvestment in active items.

About half of the retail stores studied have upon recommendation been keeping records of some sort, distinguishing turnover, gross margin, and net profit by individual lines. For the most part these stores have gained a sure appreciation of the fundamentals of successful merchandising and in general are making good application of the survey results. One retailer estimates that

since the survey he has been checking his purchase invoices and he has caught shortages in wholesale orders and errors in price to the amount of $500. Nearly all have followed the specific recommendations of the survey by setting aside a definite place for everything and going over their stock frequently in order to keep it up to standard and to spot the items of little or no demand. Many who have come to realize the losses inherent in too slow turnover and the fallacy of excessive turnover are governing their purchasing policies accordingly.

In one retail store, following the application of the principles developed in the survey, a sharp reduction in inventory, the elimination of stock which had been on hand for up to 25 years, and the institution of other efficiencies, induced by the survey, the total business was definitely increased from $80,000 a year to $96,000 a year.

More specifically, it was found that in one store the installation of a new vegetable rack increased sales 10 per cent in that department alone, and had reduced spoilage—a distinct saving in itself. Many retailers report that they have profitably cut off small delivery customers that were costing more than was realized from their business. One proprietor completely remodeled his store so that customers could wait on themselves, and found that he not only retained his customers but brought about a marked decrease in overhead expense.

WHOLESALERS COOPERATE TO BETTER CONDITIONS

Wholesalers in Louisville organized effective cooperation and effort following the survey in helping to improve local grocery conditions. It is interesting to note that one enterprising wholesaler has installed a model retail grocery store in his plant for the benefit of customers, in which a special clerk explains plans for a modern layout. The proprietor also conducts a regular school, where the lessons of the survey as to model stocks, selling, credit control, and analysis of customers are discussed. Such a policy has created a tremendous amount of good will for him, besides directly increasing his volume of business. Another has with profit revised his sales territory, confining himself to these accounts where he can establish a complete line. Finding that his most profitable line was salad dressing, he concentrated on selling it, and now reports an 80 per cent increase in sales in that commodity.

The organization through which the bureau has worked in making available the Louisville survey data is organized as a direct result of the survey in the Allied Food Committee. Composed of local grocery manufacturers, wholesalers, and retailers it has through its various energetic subcommittees disseminated valuable information developed in the survey on many subjects of vital interest to the welfare of Louisville merchants. One of the plans on which the Allied Food Committee has made definite progress in the establishment of a minimum-size order from retailers. It would, for example, have the groceryman, who now buys 4 loaves of bread from each of 5 wholesalers purchase instead 10 loaves from each of 2 dealers. The wholesalers, manufacturers, and some of the retailers have agreed to try out this plan. The committee is also considering just now what shall be a minimum-size order for flour, and how best stale-bread returns may be reduced. A splendid spirit of cooperation prevails among the local merchants.

GROCERY-STORE BANKRUPTCIES SHOW DECREASE

The records show the percentage of grocery-store failures in Louisville has been lower during recent months (15 in 1929, only 3 in first 11 months of 1930) despite the general depression in business, than during normal times. No one can say how many of these firms would have failed during the difficult economic conditions prevalent throughout the country, nor how many of the hundreds of employees working in those establishments would have been thrown out of work had these proprietors not applied to their business the plain merchandising lessons brought out by the survey.

The lessons learned at Louisville, and the clearly established benefits which accrued to the grocery trade, brought prompt and widespread results outside of that immediate field. A distribution-cost study, which analyzed the selling and delivery expenses in two selected wholesale grocery houses, one in Missouri and the other in Kansas, furnished valuable supplementary information to the Louisville data following an immediate demand by the trade.

The Ohio State Grocers' Association, cooperating with the research department of the Ohio State University, was assisted by the bureau to set up machinery to enable all the wholesale grocery houses in that State to install the improved method of calculating distribution costs developed in Louisville. The bureau also assisted the National Wholesale Grocers' Association and the Associated Grocery Manufacturers of America (Inc.) in a study to clarify the proper arrangement and function of the warehouse in distributing groceries. This study covered the experience of 15 grocery houses in 13 scattered cities in the East. A study of retail grocery delivery expenses was undertaken by the bureau in cooperation with the National Wholesale Grocers' Association, the Associated Grocery Manufacturers' Association of America (Inc.), and the National Association of Grocery Retailers of America to make the study. It encompassed 4 cities and 30 different retail stores. The trade has made clear the practical value of the results of the study.

MODEL STORES SPREAD LOUISVILLE LESSONS

A most practical form of assisting the average grocer was worked out at Louisville by helping him actually to rearrange the interior of his store so as to increase its attractiveness, cleanliness, lighting effects, and general customer "pulling power." A model store embodying the best thought of the trade in store arrangement was constructed, exhibited, and explained to every grocer in Louisville. Outside of Louisville this model store resulted in the complete remodeling of every grocery store in Glasgow, Ky., a near-by town. This was the entire grocery trade of the town. The demand for the model store has spread. One was set up in Jacksonville, Fla. Within 60 days it was visited by more than 50,000 people. As a result more than 60 retail grocery stores in Jacksonville, as well as many others throughout the State, have been made over to conform to the model-store arrangement with the same benefits obtained in other communities. Prompted by an insistent demand, we have just set up another model store at Des Moines, Iowa, where our district office reports more than 200 grocers attending its opening, many of them taking immediate steps to follow the model plan in their establishments.

The fact that the principles worked out at Louisville are just as useful to manufacturers in solving their own problems of distribution as they have been proved to be among wholesalers and retailers is evidenced by steady demands upon the bureau for similar assistance to producers. For example, the bureau applied the Louisville principles to eight selected confectionery manufacturing plants. The same evidences of the principal value of the program in cutting down distribution costs have come in from the confectioners as from all others who have used the methods.

UNIFORM COST SYSTEM DEVELOPED

A by-product of this work has been the development by the bureau's personnel of uniform systems of cost accounting in the field of distribution, now being considered for adoption by the official body of certified public accountants. This aims at the heart of the entire distribution-waste problem, for an outstanding cause of our trouble has been our failure to apply to distribution the principles of cost control that have been responsible for so much of our efficiency in production.

A detailed report of the findings for each of the 26 retail grocery stores and of the 7 wholesale grocery stores surveyed in Louisville follows:

RETAIL GROCERY STORES

Store No. 1: Counters eliminated; new shelves installed; store papered and painted. Vegetable rack set up, increasing sales in that department by 4 per cent and reducing spoilage. Inventory reduced.

Store No. 2: Old soap in basement for last 25 years closed out. Business increased from about $80,000 to $96,000 a year since the survey.

Store No. 3: Remodeled, with shelving lowered and made available to the customer; center aisle with cases installed. Six small-order customers eliminated. At least 20 per cent more business.

Store No. 4: Twenty slow-pay customers eliminated; commodities with insufficient consumer demand eliminated. Inventory reduced $1,000. Vegetable rack installed, increasing sales in this department 10 per cent.

Store No. 5: Twenty poor-pay and small-order customers eliminated.

Store No. 6: Show window for bakery products installed; center tables, and fruit and vegetable racks set up. Brands reduced; inventory $500 less, with sales normal. Several small-pay customers eliminated.

Store No. 7: Slow-moving items eliminated; three unsatisfactory customers dropped and 10 new ones added. Vegetable rack installed, which increased sales 5 per cent and reduced spoilage. New shelving installed.

Store No. 8: Completely remodeled, with new store front, new shelving, and new lighting system. Dead items eliminated from stock. Fresh fruit and vegetable business materially increased. Many new people have been drawn to this store because of new front and brightened interior.

Store No. 9: Eliminated slow-moving items and poor-pay customers. Inventory reduced.

Store No. 10: New shelving, repainted front, newly papered ceiling and walls. Mechanical refrigeration installed. Sales increased.

Store No. 11: Increased sales and stock. Slow-moving items eliminated.

Store No. 12: About 50 per cent inventory reduction.

Store No. 13: Inventory reduced $500. Slow-moving items eliminated. Sales improved.

Store No. 14: Open shelving installed. Overhead reduced. Inventory reduced $400. Dead items eliminated; coffee items reduced to six. Planning for complete control of sales to show up shortages.

Store No. 15: Inventory reduced $200; overhead reduced. Slow-moving items and poor-pay customers eliminated.

Store No. 16: Inventory reduced $100. Cash sales increased. Handbills very effectively used. Cash-register plan of accounting installed.

Store No. 17: New shelves, vegetable racks, and center island installed. Many benefits realized immediately, including increased sales.

Store No. 18: Entirely remodeled, with new shelving, vegetable rack, and center island installed. Inventory reduced, especially in large notion stock. Poor-pay customers eliminated.

Store No. 19: Stock in much better condition. Brighter store.

Store No. 20: Painted and brightened up. Mechanical refrigeration installed, with consequent savings. Slow-pay customers eliminated.

Store No. 21: Layout improved, with increased sales and profits.

Store No. 22; Store front painted; soda fountain installed; shelving extended to floor; center island put in. Layout completely changed. Inventory reduced $700. New customers have taken place of dropped slow-pay customers.

Store No. 23: Inventory reduced $150. Items cleaner and everything active. Recent tendency toward increased sales.

Store No. 24: Completely remodeled, with wait-on-yourself system installed; handling same volume of business, with reduced overhead. Great improvement in stock. Shelving extended to floor; center island installed, and fruit and vegetable rack set up, with consequent reduced spoilage. Attractive front, new lighting fixtures, and other changes have vastly improved this store. Business increased nearly 35 per cent.

Store No. 25: Slow-moving items eliminated. Discontinued small-item delivery unless on regular run.

Store No. 26: This store was a front-parlor institution with an annual sales volume of about $5,000. The proprietor since the survey has quit the grocery business to engage in other activities. The survey disclosed that this store's sales of $12 to $14 a day were costing about $7 a day in wholesalers' selling costs. The elimination of this store was a definite gain and a clear elimination of waste in the Louisville grocery distribution field.

WHOLESALE GROCERY ESTABLISHMENTS

Store No. 1: Some 350 unprofitable customers eliminated. Expense of handling business now less per dollar sales, because there are fewer customers to serve and because each one is buying more. More emphasis placed on general grocery line; unprofitable territory eliminated. Model grocery store installed for the education of customers; also regular school conducted by the proprietor, where fundamental principles, such as store layout, model stocks, credit control, etc., are taught. Much good will has been built up, and the actual volume of goods moved and profit made considerably ahead of last year.

Store No. 2: Better informed; making more profit than ever before.

Store No. 3: Expanded old territories and opened up new territory; profitable change. Proprietor confined himself to those accounts in which he could establish a more complete line. Found his most profitable line was salad dressings, so concentrated on this line, with an 80 per cent increase in volume.

Store No. 3: No material change.

Store No. 4: Increased sales.

I have no doubt but that the St. Louis survey of drug stores, in view of the experience gained and benefits resulting from the Louisville survey, will even be more complete and equally beneficial, if not greater, to the drug trade than it was to the grocery trade. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 30 minutes to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Chairman, the resolutions which I shall discuss are as follows:

House Resolution 337

Resolved, That Rule II of the House be amended by adding two new paragraphs, as follows:

"PAR. 48. A standing committee of the House shall meet to consider any bill or resolution pending before it: (1) On all regular meeting days selected by the committee; (2) upon the call of the chairman of the committee; (3) if the chairman of the committee, after three days' consideration, refuses or fails, upon the request of at least three members of the committee, to call a special meeting of the committee within seven calendar days from the date of said request, then, upon the filing with the clerk of the committee of the written and signed request of a majority of the committee for a called special meeting of the committee, the committee shall meet on the day and hour specified in said written request. It shall be the duty of the clerk of the committee to notify all members of the committee in the usual way of such called special meeting.

PAR. 49. The rules of the House are hereby made the rules of its standing committees so far as applicable, except that a motion to recess from day to day is hereby made a motion of high privilege in said committees."

House Resolution 339

Resolved, That Rule XXVII of the Rules of the House be amended by striking out paragraph 4 of said rule and inserting in lieu thereof the following:

"4. A Member may present to the Clerk a motion in writing to discharge a committee from the consideration of a public bill or resolution which has been referred to it 30 days prior thereto (but only one motion may be presented for each bill or resolution). Under this rule it shall also be in order for a Member to file a motion to discharge the Committee on Rules from further consideration of any resolution providing either a special order of business, or a special rule for the consideration of any public bill or resolution favorably reported by a standing committee, or a special rule for the consideration of a public bill or resolution which has remained in a standing committee 30 or more days without action: *Provided*, That said resolution from which it is moved to discharge the Committee on Rules has been referred to that committee at least seven days prior to the filing of the motion to discharge. The motion shall be placed in the custody of the Clerk, who shall arrange some convenient place for the signature of Members. A signature may be withdrawn by a Member in writing at any time before the motion is entered on the Journal. When Members to the total number of 100 shall have signed the motion, it shall be entered on the Journal, printed with the signatures thereto in the CONGRESSIONAL RECORD, and referred to the Calendar of Motions to Discharge Committees.

"On the second and fourth Mondays of each month, except during the last six days of any session of Congress, immediately after the approval of the Journal, any Member who has signed a motion to discharge which has been on the calendar at least seven days prior thereto, and seeks recognition, shall be recognized for the purpose of calling up the motion, and the House shall proceed to its consideration in the manner herein provided without intervening motion except one motion to adjourn. Recognition for the motions shall be in the order in which they have been entered on the Journal.

"When any motion under this rule shall be called up, the bill or resolution shall be read by title only. After 20 minutes' debate, one-half in favor of the proposition and one-half in opposition thereto, the House shall proceed to vote on the motion to discharge. If the motion prevails to discharge the Committee on Rules from any resolution pending before the committee, the House shall immediately vote on the adoption of said resolution, the Speaker not entertaining any dilatory or other intervening motion except one motion to adjourn, and, if said resolution is adopted, then the House shall immediately proceed to its execution. If the motion prevails to discharge one of the standing committees of the House from any public bill or resolution pending before the committee, it shall then be in order for any Member who signed the motion to move that the House proceed to the immediate consideration of such bill or resolution (such motion not being debatable), and such motion is hereby made of high privilege; and if it shall be decided in the affirmative, the bill shall be immediately considered under the general rules of the House. Should the House by vote decide against the immediate consideration of such bill or resolution, it shall be referred to its proper calendar and be entitled to the same rights and privileges that it would have had had the committee to which it was referred duly reported same to the House for its consideration: *Provided*, That when any perfected motion to discharge a committee from the consideration of any public bill or resolution has once been acted upon by the House, it shall not be in order to entertain any other motion for the discharge from the committee of said measure during the same session of Congress."

Mr. Chairman and gentlemen, first I desire to express my appreciation to the gentleman from Texas [Mr. PATMAN] for his courtesy in giving me preference over him in recognition. He was scheduled to follow at this time and he generously stood aside in my behalf. I also wish to thank my friend, the gentleman from Alabama [Mr. OLIVER] for his kindness in yielding me time.

I am going to discuss this afternoon three amendments that I have proposed to our code of rules. One of the amendments is purely technical, changing the name of a calendar from "A motion to instruct" calendar to "A motion to discharge" calendar, to conform to the discharge rule I have introduced.

It has been truly said that a chain is only as strong as its weakest link. That is true of any code of rules for the government of a legislative body. They must be judged in their entirety, and if there are weak spots in them, provisions in them which thwart and prevent the body from exercising its will, it is a weakness, and the rules as a whole must be condemned until that weakness is removed. If the amendments which I have proposed are adopted, the rules will be liberalized, and I think they will be splendid rules for the House of Representatives.

The first amendment that I propose I apprehend even the present Committee on Rules may act favorably upon, for I can not conceive how anyone can have the slightest objection to it.

In the proceedings to-day a parliamentary inquiry was propounded to the Speaker asking how a committee of the House could assemble if it had not regular meeting days and the chairman of the committee refused to call the committee. The Speaker did not answer and the Speaker could not answer how the committee could assemble, for the rules are absolutely silent on the proposition. The Speaker did say the committee could make its own rules and the committee could have a rule if it desired for meeting; and the Speaker was correct in that, of course. But where a committee has not a rule there is no way of getting a meeting of the committee, notwithstanding three-fourths of the

members desire it, unless the chairman would call the committee together.

One of the rules I propose follows two well recognized rules for the meeting of a committee, that they shall assemble on their regular day, if they have one; or, second, upon the call of the chairman. Now, I propose a third method whereby committees may meet for the transaction of public business, and it is that if any three members of a committee request the chairman to call a special meeting of his committee and the chairman refuses or fails to call that committee to meet within seven days, the chairman being allowed three days to determine whether or not he will call the committee together, then a majority of the members of that committee in writing can request the clerk of the committee to call a special meeting of the committee at the hour and day specified in the writing, and when a majority of the members of the committee have signed such a request and filed the same with the clerk of the committee, that automatically calls a meeting of the committee to assemble at the hour and day specified in the writing, and the clerk is instructed to proceed to notify the members of the committee in the usual way that there will be a meeting of the committee on that day and at that hour.

That simply makes it possible for a majority of any of the committees of this House to meet when the majority desires to do so. Surely there can be no objection to that.

That rule also contains a clause making the rules of the House applicable to the deliberations of a committee, so far as they can apply. That now, by precedent, is the rule to govern the respective committees, but the rules themselves are silent and contain no provision making the rules of the House the rules of the committees, but the decisions and precedents make them the rules of the committees.

I have a provision specifically making the rules of the committees, with this addition, that in the committees a motion to recess from day to day is a privileged motion.

Under the general rules of the House a motion to recess is not privileged, and the reason for making the motion privileged in the committees is this: The committees of the House can not sit during the deliberations of the House unless the House gives specific authority to that committee to sit during the time the House is sitting. When a committee meets, and they have no regular meeting days, when 12 o'clock comes the chairman arbitrarily adjourns the committee, and if the chairman does not desire that committee to meet again, there is no way to get that committee to assemble. The hour of 12 arrives. The chairman adjourns the committee sine die.

The object of the rule is to accomplish this: If the committee is having a hearing on a bill to-day and they have not concluded their deliberations and they desire to resume the next day, 5 or 10 minutes before 12 o'clock, they can make a motion that the committee stand in recess until the next morning at 9 o'clock. It is a privileged motion, and if it prevails, the committee meets the next day at 9 o'clock. Thus this rule gives autonomy to each of the committee and permits the committees to manage their own business, to meet as often as a majority of the committee desires to meet to transact public business. Surely there can be no objection to that rule.

As to the discharge rule, I apprehend I have many hurdles to jump.

Mr. MONTAGUE. Will the gentleman yield for a question? We all value the gentleman's opinion.

Mr. CRISP. I am happy to yield to the gentleman from Virginia.

Mr. MONTAGUE. The gentleman spoke of the committee being adjourned by the chairman at the hour of 12 o'clock. Is not the committee adjourned by operation of law, namely, the rules of this House?

Mr. CRISP. I will say to my distinguished friend that I had no intention of placing any stricture whatever upon the chairman of a committee for adjourning it. A rose by another name will smell as sweet.

The adjournment is, of necessity, by operation of law or by the chairman declaring it, and I am quite willing to accept my friend's suggestion that a committee, unless it has special leave to sit during the sessions of the House, is adjourned by law when 12 o'clock arrives.

Mr. MONTAGUE. May I follow that with one other inquiry?

Mr. CRISP. Certainly.

Mr. MONTAGUE. I do not desire to infringe upon the gentleman's time.

Mr. CRISP. I am very happy to stay here as long as the committee desires and to answer questions to the best of my ability.

Mr. MONTAGUE. Suppose a committee does not adjourn and there is no necessity for the Members appearing in the House, and the committee transacts business 20 minutes or an hour longer? Would the business so transacted be valid or not?

Mr. CRISP. I have had considerable experience in this body and up to this hour I have never heard any action of that kind challenged in the House.

Mr. MONTAGUE. I have not either, but it has occurred to me that such a question might be raised and that it might prove embarrassing.

Mr. CRISP. I have never heard it challenged. If it were challenged, I do not know how the Speaker would rule, but I assume the Speaker would presume that if a committee reported a bill to the House that the committee was acting within the law and its authority.

Mr. TILSON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. TILSON. The members of the committee know the rules of the House and if they fail to make objection to such procedure, are they not assumed to have waived their rights? So it would appear to me that any action taken after the House goes into session would be valid if no member of the committee raised an objection to it at the time.

Mr. CRISP. I think that is tenable and I think the question of estoppel would apply.

Mr. TILSON. Any member of the committee could stop the meeting if he so desired at the very moment or any time after the House convened.

Mr. CRISP. Certainly.

Mr. MONTAGUE. Would not the rule rather be that a quorum was presumed to be present and that the business transacted after 12 o'clock was legal unless some evidence to the contrary appeared?

Mr. CRISP. That was my statement in answering my friend, that the presumption would be, if presented to the House, that the law had been complied with and that the committee had not exceeded its authority.

Mr. MONTAGUE. For example, a quorum is presumed to be present unless the question is raised and the lack of a quorum is exposed.

Mr. CRISP. Yes.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. BLANTON. I am sure the gentleman from Georgia wants to go far enough with the third subdivision of his proposal in order to make it effective. It provides that this notice must be given to the chairman of a committee. Suppose we should have a situation such as now exists in connection with the Committee on Ways and Means, when the chairman is not available.

Mr. CRISP. My friend is in error. I do not propose to give the notice to the chairman, but give the notice to the clerk of the committee; and as I am going to try to have more or less primary instruction as to how this rule will work, I have prepared sample orders and rules which I think could be used if this rule was adopted as the rule of the House.

Mr. BLANTON. Then it does cover a case where the chairman is not available and can not be found?

Mr. CRISP. Here is a proposition which answers the gentleman's question.

Mr. OLIVER of Alabama. Will the gentleman yield before he goes further?

Mr. CRISP. Yes.

Mr. OLIVER of Alabama. The majority leader seemed to think the principle of estoppel might prevent the question being raised as to the regularity of proceedings had after the hour of 12 o'clock had arrived. Surely if the House makes a rule that a committee can not sit during the sessions of the House, no action of the members of that committee could serve to revoke the positive action of the House.

Mr. CRISP. Undoubtedly the agent can not control his principal.

Here is an illustration of how the rule would work, answering the question of my friend from Texas [Mr. BLANTON].

The notice is as follows:

Mr. CLAYTON MOORE,
Clerk to the Committee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. CLERK: We, the undersigned members of the Committee on Ways and Means, desire that a special meeting of the committee be held in the committee room at 10 o'clock on January 19 for the consideration of H. R. 3493, entitled "A bill to provide for the immediate payment to veterans of the face value of their adjusted-service certificates and for the consideration of all other bills pending before the committee relating to payments to veterans on their adjusted-service certificates.

This request for a special meeting being signed by a majority of the members of the Committee on Ways and Means, under the rules of the House and of the committee, the meeting is automatically called for said hour and date, and you are directed hereby to issue a notice to every member of the committee of this special meeting thereof.

C. R. CRISP.
Mr. A.
Mr. B.
Mr. C.
Mr. D.
Mr. E.
Mr. F.
Mr. G.
Mr. H.
Mr. I.
Mr. J.
Mr. K.
Mr. L.

The letter is signed by 13 members. The Committee on Ways and Means having 25 members, 13 is a quorum or majority.

Mr. EDWARDS. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. EDWARDS. We have had cases where the chairman did not call a meeting when we wanted to have it and suppose the clerk fails to call the meeting after you have given him notice.

Mr. CRISP. I think the remedy would be at the next meeting of the committee to discharge that clerk, but it is inconceivable that the clerk of a committee of the House of Representatives, when the members were acting within the scope of the rules of the House of Representatives, would defy them, and if he did I think the House could punish him as a contumacious official.

Mr. EDWARDS. The chairman defies us and the chairman appoints the clerk—the committee does not appoint the clerk.

Mr. CRISP. My friend is wrong. The chairman appoints the clerk with the approval of his committee.

Mr. EDWARDS. Yes; and I doubt seriously whether the committee can remove him without the approval of the chairman.

Mr. CRISP. I think the committee could and I think if this rule were adopted as one of the rules of the House and the clerk did not comply with it, the House of Representatives would deal with him very quickly.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from New York.

Mr. LAGUARDIA. Does not the gentleman's proposed rule answer that? The majority of the committee having signed the call, and the majority meeting at the designated day, that would constitute a quorum and they could proceed to do business.

Mr. STOBBS. If the gentleman will permit, I was going to say that if you adopt this rule as a part of the rules of the House and the Clerk refuses to live up to the rules of the House, why would not mandamus lie?

Mr. CRISP. I think it would. I think you could punish him for contempt or discharge him and not have to mandamus him.

Mr. ABERNETHY. Will the gentleman yield?

Mr. CRISP. I yield to the gentleman from North Carolina.

Mr. ABERNETHY. Is this an academic discussion or is there some prospect of getting this through?

Mr. CRISP. I think that inquiry is a little bit afield——

Mr. ABERNETHY. No; I do not think so. I am very much in favor of the rule, but I am wondering if the gentleman in his own mind has any idea we can get such a thing through as he has proposed?

Mr. CRISP. In my judgment, as I said a while ago, I think there is a possibility of even the present Rules Committee acting favorably on this particular rule, and I can see no objection to it. The other rule I am going to discuss may involve an academic discussion, but it is not offered by me simply to take the time of the House, but is offered as a basis for the body of rules to be adopted for the next Congress.

Under the Constitution each House makes its own rules. I know, of course, that this House is not going to consider the discharge rule that I am next going to discuss. I know its destiny is to sleep in the pigeonholes of the Committee on Rules and that it will never see the light of day, but I am offering it to the Members of the House to discuss it and to show its operation, believing the next Congress, no matter which party organizes it, is going to have workable rules; and I wanted to explain this rule to the House, so that the membership of the next House will have it absolutely within their power to adopt a code of rules under which they can do business. My purpose is to discuss it and to urge the next House, before they ever adopt a system of rules for their deliberations in the next Congress, to see that the House be given an opportunity to vote as to whether they desire to incorporate therein this discharge rule. [Applause.]

Now, what is this rule? I will not read it, because it is a technical subject; and without any reflection whatever on my colleagues, if read, the average one who has paid no attention to parliamentary procedure of the House or the rules of the House would not see at once how it is intended to operate. Therefore it is my purpose to try to demonstrate and explain just how the rule would function were it incorporated in the rules.

In the Sixty-eighth Congress I drafted a discharge rule and that rule was adopted with one substantial amendment. The rule I wrote provided for 100 signatures to make effective a motion to discharge. When the rules were adopted it was amended so as to require 150 names to make the motion effective. I have redrafted that old rule, placing the number again at 100, and the question may be asked why 100. I think there is the best of reasons. When you have a code of rules is it not wise to have them all conform to each other so far as practicable? Under the rules of the House 100 is a quorum in the Committee of the Whole House on the state of the Union for the consideration of tax measures, taxing the people billions of dollars; 100 is a quorum in the Committee of the Whole House on the state of the Union for us to consider and pass appropriation bills appropriating billions of dollars. Therefore, if 100 Members are competent to pass tariff bills and to pass appropriation bills, are not 100 Members of the House of sufficient importance to initiate a motion to discharge a committee, that motion only being in order to be called up on two days out of a month, and during the entire session, even in a long session of the Congress, there will probably be only 10 or 12 days during that session when this motion can operate.

It will not in any wise clog business. It will not in any way cause chaos. It will not, as I apprehend some of my distinguished friends will say, provide for legislation by petition. It will do nothing of the kind. The 100 simply initiate the motion and the motion can not be filed until the bill to which it is directed has been before one of your standing committees at least 30 days. Then, when the motion is filed, if it gets the 100 signatures, it must go on the Motion for Discharge Calendar and remain there at least seven days, and can not be called up except on the second or fourth Mondays in each month. Let me say that the old rule operated on the first and third Mondays. I changed

that to the second and fourth Mondays so as not to interfere with the Consent Calendar and the suspension of the rules, taking the two other Mondays, so as to leave the House free to consider the calendars—consent and suspension—in which they are vitally interested without interference by this discharge rule.

Now, 100 does not discharge the committee. Bear that in mind. The hundred does not discharge the committee but the hundred simply inaugurates the machinery whereby the House itself on these two days shall have the privilege of 20 minutes debate, 10 minutes for and 10 minutes against, and voting as to whether or not it desires to discharge the committee.

If the majority of the House wishes to discharge the committee and they so vote, the committee is discharged. If the majority does not desire to discharge the committee they vote against it, and the motion is defeated. It is not the hundred that discharges the committee, it is a majority of the House vote.

If the motion prevails to discharge the committee from the consideration of the bill that the committee has not reported, then under the rule it is permissible for any Member to move immediate consideration of that bill. The House is given an opportunity to say whether it desires to consider it.

If the House desires to consider, the rule provides that the House shall consider it under the general rules of the House. If the House does not desire to consider it and the committee is discharged, it goes on the calendar to remain on the calendar, the same as it would if it had been favorably reported by the committee. It is on the calendar just as it would be if it had been reported by the committee. If the committee is discharged and the House wants to consider it, they can consider it and take that day and under this provision of the rule if it is not concluded it goes over to the next discharge day, when it comes up as unfinished-discharge business.

Mr. BYRNS. Will the gentleman yield?

Mr. CRISP. I will be glad to yield to the gentleman.

Mr. BYRNS. I understand the rule to which the gentleman refers relates to standing committees. I wonder if the gentleman had any rule with reference to conference reports.

Mr. CRISP. I have a cure for that evil in the same rule, but I wanted to discuss this feature of it first.

Mr. SNELL. Will the gentleman yield?

Mr. CRISP. I will be glad to yield to the distinguished chairman of the Committee on Rules.

Mr. SNELL. I did not understand the procedure which the gentleman stated after the committee is discharged. If the consideration of the bill is not concluded on that day, it goes over until the next Monday?

Mr. CRISP. I think so.

Mr. SNELL. You can not go on the next day?

Mr. CRISP. It would go over until the next discharge day when that order of business was reached, and it would come up as unfinished business.

Mr. TREADWAY. In connection with the discharge there would often be no opportunity for a hearing by the committee to which the bill had originally been referred.

Mr. CRISP. My friend is wrong. The bill will have to be before the standing committee 30 days before you can file the motion. I say for the credit of this House and in answer to some criticisms I know will be made; I am anticipating it—some will say, oh, the committee has a very important piece of legislation and is considering it, and this rule will prevent the committee from giving serious and thoughtful consideration to the bill.

They say it would be bolshevistic to discharge the committee from its consideration when it was working on it within 30 days. I say, gentlemen, that is a slander on the intelligence of the House of Representatives. If the committee was really considering a bill, working on it, instead of getting 100 Members to sign a petition to discharge that committee, you could not get 10.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. BLANTON. Under the gentleman's provision, if you had 220 men present and voting on the question to take up the bill to discharge the committee, if 217 voted to discharge and the Speaker and the chairman of the Committee on Rules and the majority leader were to vote against it, you would fail, even though the vote was 217 to 3, because it requires 218 votes to have a majority of the House of Representatives. It should require only a majority of those voting, a quorum being present, as that only is required in passing bills in the House. Why not just provide that a majority of those present shall be sufficient?

Mr. CRISP. Oh, I would not sponsor for a quarter of a second any such outrageous provision as that suggested by the gentleman. That, in effect, is the rule to-day. When that rule was debated on the floor of the House I said that it was a delusion and a snare, and it was adopted not for the purpose of discharging a committee but to hermetically seal the door of the committee to prevent the bill from coming out.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. CRISP. I have not yet reached the other rule.

Mr. OLIVER of Alabama. How much time does the gentleman want?

Mr. CRISP. If I discuss the other rule I do not think that I can get through in less than 30 minutes.

Mr. OLIVER of Alabama. I yield 10 minutes additional to the gentleman from Georgia.

Mr. SHREVE. Mr. Chairman, I yield the gentleman 20 minutes.

The CHAIRMAN. The gentleman from Georgia is recognized for 30 minutes.

Mr. GARNER. Mr. Chairman, will the gentleman yield for a question?

Mr. CRISP. Of course.

Mr. GARNER. In connection with the suggestion of the gentleman from Massachusetts [Mr. TREADWAY] about the discharge of a committee without the committee having an opportunity to consider the bill in question, if a committee had a bill before it for 30 days and just one day later, on the 31st day, 100 Members should file a motion to discharge, the committee would still have seven days in which to consider the bill and report it to the House.

Mr. CRISP. Not only that, but it might have more than 7 days. It has to be on the calendar for 7 days, and if you could operate within 7 days, those 7 days would have to be the 7 days immediately preceding the second or fourth Monday. Nine times out of ten it would be more than 7 days before you could get action.

Mr. WILLIAM E. HULL. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. WILLIAM E. HULL. I am not very familiar with the rules, but I have a case in mind. I am on the Committee on Rivers and Harbors. The gentleman realizes that when we get on a river and harbor bill we are in session for nearly six months getting out the bill. Do I understand that if 100 Members would decide within 30 days that they wanted the bill reported out, the committee could be discharged from the consideration of the bill under this rule?

Mr. CRISP. Oh, I do not think it would apply to that at all. In the first place, I do not think anyone could get 100 Members to sign a petition in such circumstances and in the second place the bill to which the gentleman refers is not introduced until it has been before the committee for months, or the subject of it has been before the committee for months, and then, 2 or 3 days before it is introduced the bill is made up, and is put in the form of a bill with a number, and then it has not been before the committee as a bill for 30 days, but only for probably 2 or 3 days.

Mr. WILLIAM E. HULL. I want to ask another question to be sure that I am right. As the gentleman says, we are considering the subject of the bill from the 1st of December say up until the 1st of February. The gentleman says that we have not introduced the bill, and that is probably true, but we are considering the subject of the bill.

The subject of the bill is before the committee. During that time that we are doing that some one might get a little restless and want a certain river put in the bill, and all he has to do is to get 100 members to sign a petition.

Mr. CRISP. Of course not. The rule does not apply unless it is directed against some specific bill by number that has been before the commitee for at least 30 days, and there is no river and harbor bill before the committee in the circumstances related by the gentleman.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. BANKHEAD. The gentleman from Georgia may have stated the matter in my mind, but if so I did not hear him. Do I understand that assuming 100 signatures are signed to the petition and it is laid on the desk that there is any priority on the part of any Member favoring the bill to have the right to call it up?

Mr. CRISP. The provision is that any Member who has signed the petition can call it up. No priority is given as to the individual. If there are several motions on the calendar, they are to be called up in the order in which they are on the calendar.

Mr. BANKHEAD. At least the spirit of the rule would provide that there would be no arbitrary refusal on the part of the Speaker to recognize a Member to call it up.

Mr. CRISP. Oh, no speaker that we would elect would ever refuse to do such a thing, and I am very sure that the present Speaker would not do such a thing.

Mr. WILLIAM E. HULL rose.

Mr. CRISP. Oh, I think I have answered the gentleman's question fairly and squarely.

Mr. WILLIAM E. HULL. I want to ask the gentleman a question. I regard the gentleman very highly.

Mr. CRISP. I appreciate that.

Mr. WILLIAM E. HULL. And I am asking for information.

Mr. CRISP. I could not be heckled, because I am fairly familiar with the subject.

Mr. WILLIAM E. HULL. Suppose I introduce a bill for a certain river and it is referred to the Rivers and Harbors Committee. It is in printed form and has a number, and I go around and get 100 signers to a petition to bring that bill out; would that bill be brought out in accordance with this rule?

Mr. CRISP. This rule applies only to public bills and resolutions. It will not apply to a private bill. If the gentleman's bill is a public bill, then I think frankly if there were 100 signers to the petition, and the bill had been before the committee for 30 days, and the committee had not reported it, I think the bill could be called up on the second and fourth Monday, and if a majority of the House—and when I say that I mean a majority of those present and voting, a quorum being present—the committee would be discharged; but it is unthinkable that it would do a thing of that kind. You could not get 100 signatures to a petition for a bill of that character.

Let me go to the next provision, and it is a provision with teeth in it. It is a provision that works, it is a provision by which if you want to have control of your deliberations, you may have it. I wrote the old historic rule that I have just described in the Sixty-eighth Congress, and under that rule the House discharged the Committee on Interstate and Foreign Commerce from the further consideration of the Howell-Barkley bill. We brought it up in the House. There was a filibuster. The bill was considered on several first and third Mondays, and the filibuster continued sometimes away late into the night. But a man ought to learn something, and I learned something from that, and I am trying to profit by it. The rule that I have now has been written in the light of that filibuster under the old rule. The rule I have now will do the work and there will not be any filibuster, if the rule be adopted. What does that rule provide? The new rule has another provision in it for discharge, which provides that you can discharge the Committee on Rules from the further consideration of any resolution pending before the Rules Committee, providing for an order of business of the House, or for the consideration of a bill reported by a committee not privileged and on the calendar which that committee will not take up; or a rule providing for the discharge of a committee from a bill that the committee has had more than 30 days and will not act upon, and provide for its immediate consideration.

Now, that part of the rule is to operate differently from the other. As I have told you, in the other case when the committee is discharged, then the question is whether the House wants to consider it or not, or whether they will defer it. But I am not so guileless as I once was, so in this rule there is a provision that when the House discharges the Committee on Rules from any resolution providing an order of business or for the consideration of a bill that they have had for seven days, the House shall immediately vote whether it will adopt that special rule, or that special order, and the Speaker can not entertain any dilatory motion or any motion except one motion to adjourn. The House is brought to voting whether they will adopt that special rule, and if it is adopted it has all the force, the vitality, the effect that it would have if my lovable and really good friend, the gentleman from New York, were to rise and present a rule from the Committee on Rules, and the House adopted it. When the gentleman does that, then the House proceeds to consider the bill under the terms of the rule, and that rule cuts off filibuster, dilatory motions, limits debate, and provides how the House shall consider it, and the House considers it and passes it. If under this rule the Committee on Rules is discharged from the consideration of one of these rules, the House must vote. If the House adopts it, then the House proceeds immediately to consider the bill under the terms of that special rule, and I would like to see them filibuster on that.

Let me give you an illustration of how it will work. My good friend from Tennessee asked if there was any way you could deal with conferees, and I replied "Yes." Take as an illustration the Muscle Shoals situation. Several times we have thought we had a conference agreement and that the House was going to have a vote, but, lo and behold, it vanishes in smoke and you can not get action to-day from the conferees. They will not report either agreement or disagreement, and there is no way that this House, even if three-fourths of the Members desire it, can get it done unless the triumvirate, and I say it with all respect, the Speaker, the majority leader, and the Rules Committee is willing to bring in a rule dealing with it. You can not move. You are impotent. Three-fourths of you may want to do it, and you can not unless those distinguished gentlemen and the Rules Committee will bring in a rule. You are helpless. If you will adopt this rule you are not helpless. You can deal with it. How? I would simply introduce a resolution to this effect:

Resolved, That immediately upon the adoption of this resolution the House conferees on Senate Joint Resolution 49, entitled "Joint resolution to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals in the State of Alabama, for the purposes, appointed to represent the House in conference with the Senate on the disagreement between the House and Senate on said Senate Joint Resolution 49 be, and they are hereby, discharged from further service.

[Applause.]

The Speaker is hereby directed to immediately appoint different conferees to represent the House in the conference with the Senate on said Senate Joint Resolution 49.

I introduce that. It goes to the Rules Committee. It remains there seven days. I file a motion to discharge the Committee on Rules from the consideration of this resolution. One hundred Members sign it. On the second and fourth Mondays I call it up, and then if a majority of those voting vote in the affirmative in the House, a quorum being present, the committee is discharged from further consideration of this rule. Then immediately the House votes, and if the House, by a majority of those voting, a quorum being present, adopts this rule, the conferees are discharged, and the Speaker is directed to appoint different conferees.

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. CRISP. I yield.

Mr. BANKHEAD. Suppose that within the seven days allowed for action by the Rules Committee a majority of that committee reject the rule or table it or take adverse action upon it; then what would be the situation?

Mr. CRISP. Well, that would present a complication. I am frank to say I had not figured out that contingency. No; there is no trouble. If they reject it, it is still before the committee, just as if nothing was done. If they report it favorably and do not call it up, that would be where my trouble might come.

Mr. BANKHEAD. Then under the rule proposed by the gentleman, whether the committee acted favorably upon the resolution within seven days or rejected it or took adverse action upon it, it would still be within the power of the House?

Mr. CRISP. Unless they reported it to the House.

Mr. BANKHEAD. That is unless they made a favorable report upon it?

Mr. CRISP. Well; I am not clear about that. You understand I am frank. I have never tried to deceive this House about anything.

Mr. BANKHEAD. As a present Member of the Committee on Rules, the practical solution of the problem appealed to me, and it occurred to me what would be the result.

Mr. CRISP. Well I had not thought about that. I would have to think over that. If the Committee on Rules reported on it favorably and the chairman would not call it up——

Mr. LAGUARDIA. Or adversely?

Mr. CRISP. Or adversely, there would be the trouble.

Let me give another illustration. Suppose the committee has reported a bill that a majority of the House is interested in and it is on the calendar and it is not privileged, and the leaders of the House, those who control the situation, will not allow it to come up, you are helpless. You can not escape that. For instance, take the Couzens resolution which was considered in the last Congress, to prohibit the Interstate Commerce Commission from consolidating railroads. Many of the Members of this House were intensely interested in that. They could not get it up.

If you had this rule you could get it up. How? I would introduce this resolution:

Resolved, That immediately upon the adoption of this resolution and daily thereafter, Calendar Wednesdays excepted, immediately after the reading of the Journal, the House shall proceed to a consideration of Senate Joint Resolution 161 entitled "Joint resolution to suspend the authority of the Interstate Commerce Commission to approve consolidations or unifications of railway properties"; that there shall be eight hours' debate to be equally divided between those favoring and those opposing the resolution, during which time the resolution shall be open for amendment under the general rules of the House; that, at the expiration of said eight hours, the previous question is hereby ordered on all pending amendments and the bill to final passage; that the Speaker shall not entertain any dilatory or other intervening motions during the consideration of the bill except two motions to adjourn—

I have put in two because eight hours might take it over to the second day, and I give the House an opportunity to adjourn.

and thereafter no other motion shall be submitted to the House except to vote on pending amendments and said resolution to its final passage.

After seven days, if the committee does not act on that resolution, a motion to discharge would lie against it and the same procedure would be followed.

Then, say, there is a bill before the committee and the committee will not report it. How would I function? I would introduce a resolution similar to this, and I am now referring to the bill introduced by the gentleman from Texas, the minority leader, Mr. GARNER, dealing with the adjusted-service certificates:

Resolved, That immediately upon the adoption of this resolution, the Committee on Ways and Means is hereby discharged from further consideration of H. R. 15589, entitled "A bill to provide for the payment to veterans of the cash-surrender value of their adjusted-service certificates," and the House shall immediately resolve itself into the Committee of the Whole House on the state of the Union for the immediate consideration of said bill. There shall be eight hours' debate, to be equally divided between those favoring and those opposing the bill. After the expiration of said general debate, the bill shall be read for amendment under the 5-minute rule. When read through for amendment, the Committee of the Whole House on the state of the Union shall immediately rise and report the bill back to the House, with or without amendment, as the case may be, whereupon the previous question is ordered on all pending amendments, if any, and the bill to its final passage. During the consideration of this bill, the Speaker shall not entertain any dilatory motions or any other intervening motions except two motions to adjourn, until the bill is finally disposed of. This order shall be a continuing order, and the House shall proceed to the consideration of the bill daily, calendar Wednesdays excepted, until it is finally acted upon.

The gentleman from Connecticut, the majority leader, will note that under those orders they do not go over to the next discharge day. They are continuing orders and they operate day by day until disposed of except only on Calendar Wednesdays.

When I introduce this resolution, if the Rules Committee does not act within seven days, I lodge a motion to discharge it, signed by 100, and I go through the whole procedure which I have before described and not necessary to repeat.

Now, gentlemen, the effect of this rule will be to give the Members of this House an opportunity to face public issues. You need not deceive yourselves. If 100 Members of this House desire that there should be a rule to put the Members on record as to how they stand on public questions they can do it, and I for one favor that policy. [Applause.] I think a man elected to Congress should have the courage to stand up and face public issues and let his people and the public know how he stands on vital public questions. [Applause.] This rule will do it. If you are timorous or if you are a dodger or if you do not want the public to know your views on public questions, you are against this rule; but if you are willing to face issues, if you are willing to have your constituents know your views, and if you want the House of Representatives to have a democratic form of government and to manage its own affairs—and I do not use the word "democratic" in a party sense—and if you want to permit the majority of its Members to function and consider public questions then you will be in favor of this rule; adopt this rule and you will have it.

Some say they are opposed to legislating by petition. This does not legislate by petition. One hundred is simply the machinery to initiate these motions, so that a majority of those in the House, a quorum being present, can function.

Now, gentlemen, do not deceive yourselves. If this rule is adopted the Rules Committee is shorn of its power. The colossal power of the Rules Committee is stripped from it. The great triumvirate who have ruled and controlled this House will no longer have that power, provided 100 Members would sign one of these petitions. Under this rule the Rules Committee will become the instrumentality of this House; it will become the servant of the House instead of its master. [Applause.] That, in substance, is the rule.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CRISP. I will.

Mr. LAGUARDIA. Would it embarrass the gentleman if I asked him two practical questions?

Mr. CRISP. Nothing will embarrass me, although I may not be able to answer the gentleman's questions.

Mr. LAGUARDIA. The gentleman knows I am interested in a liberalization of the rules. As a practical matter, does the gentleman believe he can get his entire side of the House to vote for those rules?

Mr. CRISP. I fear not, but I will say this in answer to the gentleman, of course, I am not authorized to speak for anyone else and I consulted no one when I introduced the rule. I had shown it to no one except my stenographer and secretary who wrote it at my dictation. Not a Member of the House had seen it. I fear not, but I do believe, I will say to the gentleman from New York, that a majority of the next Congress, no matter which party organizes it, will be progressive, will favor liberalizing the rules of the House and will favor fixing the rules so that a majority can do business; and I believe in the next House, taking both sides

together, a majority will adopt this rule or one similar to it in substance.

Mr. LAGUARDIA. That is what I hope, and may I ask the gentleman this further question: In the event his side of the House should organize the House, would the leadership of that side sponsor these rules along with some of the gentlemen on this side?

Mr. CRISP. I will answer the gentleman frankly. I do not arrogate to myself any leadership. I speak only for myself. I favor this rule whether my party is in power or the other party is in power. [Applause.] I believe in a democratic form of government and that a majority has the right to express its views and work its will on legislation, and if the legislation does not meet with the approval of a majority of the people of the United States, at the next election they can retire us from office. [Applause.]

Mr. SABATH. Will the gentleman yield?

Mr. CRISP. I will.

Mr. SABATH. Judging the future by the past, has not the gentlemen the right to believe that the Democratic Party, with hardly any exception, will support any rule that will liberalize the rules of the House and give the membership rights of which it has been deprived under the present rules?

Mr. CRISP. I think an overwhelming majority will. I fear some may not, but in my discussion, gentlemen, I have endeavored not to inject party politics and I have tried, frankly, sincerely, and earnestly, to present what this rule is intended to do without injecting any personal, or political bitterness.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. CRISP. I will.

Mr. CHINDBLOM. I am glad my good friend made that last remark, because the remarks of my colleague from Illinois spoke of the action of the present minority party in the past. I happen to have before me the discharge rule of the Sixty-fifth Congress and I am sure not even my friend from Georgia will claim there is much liberality in that.

Mr. CRISP. I think not, and that is why I wrote the one in the Sixty-eighth Congress that tried to liberalize it.

Mr. CHINDBLOM. But that was after the gentleman's party was out of power. [Laughter.]

Mr. CRISP. The position I take now is the one I have taken in every Congress when this question has come up, and I have said in every speech that I favor liberalizing the rules, whether in the majority or in the minority, and if the gentleman will go back and look at the RECORD, where this question has been discussed for the last 6 or 8 years, he will find that that has been my position.

Mr. SNELL rose.

Mr. CRISP. Does my friend, the gentleman from New York, desire to ask me a question?

Mr. SNELL. I was going to ask practically the same question that the gentleman from Illinois [Mr. CHINDBLOM] asked. There is one other question I would like to ask the gentleman.

Mr. CRISP. I am flattered.

Mr. SNELL. I think, as the gentleman has said, if we adopt this rule there would be no reason whatever for having a Rules Committee of the House.

Mr. CRISP. Except to use it as a vehicle through which the House may work its will. You have to have some vehicle to operate through and I think the Rules Committee would be the proper one.

Mr. SNELL. Could you not just as well put the petition up here on the door?

Mr. CRISP. Yes; but that is inanimate and the House would be glad to see the chairman of the Rules Committee and the other members of the committee around here. You know they are going sometimes voluntarily to report rules themselves and we will have the advantage of their wisdom and the pleasure of hearing their voices when reporting these rules.

Mr. SNELL. Under the rule the gentleman is proposing that would be very seldom, and I want to say one thing more. The gentleman has been very much in favor of such a rule in the last six or eight years, but I do not find any of his speeches favored a liberalization of the rules as long as his own party was in power.

Mr. CRISP. When we were in power I was so timid and modest I took a back seat.

Mr. SNELL. I accept the gentleman's apology.

Mr. BLANTON. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. BLANTON. Answering the gentleman from New York [Mr. SNELL] and the gentleman from Illinois [Mr. CHINDBLOM], the gentleman is proposing this liberalization of the rules right on the very eve of his party reassuming control of and power in the House.

Mr. CRISP. I hope the gentleman is prophetic.

Mr. KETCHAM. Will the gentleman yield for a question?

Mr. CRISP. I will.

Mr. KETCHAM. Has the gentleman given consideration to the possibilities that might develop in this kind of situation? If we had 100 men in the House who were particularly aggressive along a certain line and who would possibly originate, each one of them, 100 bills, slightly different but all having one common purpose, has the gentleman given any consideration to the power that the 100 Members would exercise in compelling the House continuously, day after day, to consider propositions of interest to them?

Mr. CRISP. I will answer my friend very frankly. To start with, I have too high a respect for the membership of the House to believe they would lend themselves or become a party to that kind of procedure; but, anyhow, even if I am in error and we did have that kind of membership, they could not seriously interfere with the deliberations of the House because there are only two days in a month when the rules operates, and even during a long session of Congress, of 7 months, there would be only 14 days where they could do that.

Mr. KETCHAM. My friend misses the point. I thought I caught the statement in explanation of one of his resolutions, that this action is taken continuously, day after day, and that the House must give consideration to the matters brought before the House in this way.

Mr. CRISP. That is where a perfected motion has been acted upon and the House has discharged the Committee on Rules from the consideration of a rule and the House is directed to consider the bill, and in that event the bill will be disposed of in 6 or 8 or 10 hours, and then it is behind you.

Mr. KETCHAM. That is to say, the action I had in mind could not be taken unless a majority of the House had registered themselves as in favor of it.

Mr. CRISP. A majority of those voting, a quorum being present, because I do not seek to do what your present motion to instruct does. The present motion to instruct, to start with, requires that before it can operate you have to have 218 Members to sign it. That is a majority of the entire House. The next step is to have 218, seconded by tellers——

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that I may yield the gentleman five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CRISP. Then after presenting the rule and having a vote of 218 by tellers, you can not get a roll call. The rule is specific. You have to have 218 go through the tellers in the affirmative. Then there is another vote where you have to have a majority, and it has 15 days to report. That is the old rule.

Mr. SNELL. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. SNELL. You could abolish the second and fourth Mondays just as easy as any other rule of the House. That would be in order.

Mr. CRISP. I did not catch the purport of the gentleman's question.

Mr. SNELL. You could change the rule so that this business would be in order at any time.

Mr. CRISP. The House by a majority of its Members can, under the Constitution, adopt any rule it sees fit, and if it wanted to abolish or change that it has the inherent power to do so. If the House was foolish enough to do it it has the power, but it would require a majority of those voting, a quorum present, to do so.

Mr. ALLGOOD. Will the gentleman yield?

Mr. CRISP. I yield.

Mr. ALLGOOD. We appropriate millions of dollars without Members going on record. Has the gentleman thought anything about amending the rules so that in voting on appropriation bills Members shall go on record?

Mr. CRISP. I do not think that is necessary. My own State constitution requires a record vote where we pass appropriations. There must be an affirmative vote of a majority of the whole House. I do not think that is necessary.

Mr. GARNER. The whole philosophy of the gentleman's rule is to initiate legislation by a vote of 100?

Mr. CRISP. Not to initiate it, but to make it possible for the House to initiate it.

Mr. GARNER. But it is up to the House by a majority to consider the legislation?

Mr. CRISP. Yes. If a majority of the House does not want to consider it, the motion is killed and they can not file another motion during the session.

Mr. GARNER. So that 100 men could not filibuster against the business of the House?

Mr. CRISP. No. I have purposely used as an illustration as to the practical operation of the discharge rule and of the calling of a committee to consider legislation when the chairman will not call the committee together the subject of paying the adjusted-service certificates or making some liberal cash settlement of them. I am not a radical and am often charged with being too conservative. From their nonaction I am constrained to believe that the President of the United States, the leaders of this House, and other responsible administrative leaders do not realize the true economic condition of the country and the suffering and distress of our people.

To-day millions of honest, industrious, law-abiding citizens are seeking employment and can find none. Their families are in want, inadequately clothed and underfed, and thus the easy prey of disease. Such a condition is intolerable and bodes evil for the Nation. Unless remedied, no one can foretell the consequences. The American people are long suffering and inarticulate, but when the inarticulate voice of the unorganized masses of the people is aroused it will be heard in thunderous tones throughout the Nation. When a man is hungry, when his wife and children are suffering for food and clothing, conservatism and reason are swept to the wind. Men become desperate. The captains of industry and the owners of predatory wealth, for their own selfish ends if not from humanitarian motives, should take steps to relieve the situation. If it is not corrected, political revolution may be the result and very radical laws be enacted. In my judgment, a government, rich and powerful, that does not provide an opportunity for its industrious, law-abiding citizens to earn a living for themselves and families is a failure. For a number of years prior to the stock debacle in the fall of 1929, business was unduly stimulated and inflated and stock gambling and speculation ran wild. Then the bubble burst, the pendulum swung back too far the other way, and to-day business is prostrate and needs some stimulation.

To my mind, the most conservative and practical way to furnish this stimulation is by making some liberal cash advances on the adjusted-service certificates. In this way over $2,000,000,000 would be equitably distributed over the entire Nation, every village and hamlet benefiting. The ex-service men would spend at least part of the money for clothes, food, and other necessities of life. Can there be any other period in his life when it will do him as much good? The merchants, the banks, the lawyers, the laboring people, and every other class of citizens would receive benefit from these expenditures. The price of agricultural products would advance, and, in my judgment, nothing would contribute more to the restoration of prosperity. Such expenditures would enable many farmers, ex-service men, who can not finance themselves to operate and thus make a living for themselves and families.

The administration's relief measures passed by this Congress have been totally inadequate to meet the situation. They are confined to certain classes and limited areas, and the great body of distressed people are not helped. Unless some general relief is granted, if conditions do not improve, the inevitable result will be that the Government will have to pay dole to the needy citizens. Oh, how preferable will it be to stimulate business, to permit the people to earn a living for themselves! I appeal to the leaders of the House to give serious thought to this and to permit the House to consider legislation along the line suggested.

In the present Congress 118 Members signed the motion filed by Mr. PATMAN to instruct the Ways and Means Committee to report his bill. Under the present rules it accomplished nothing. If the rule I propose was the rule of this House we could and would legislate on settling the adjusted-service certificates, thereby rendering the Nation a great service by restoring economic prosperity without increasing tax burdens of the people but on the contrary lightening them.

The Government of the United States can to-day probably sell its bonds and borrow money at 2 per cent. It is paying on the adjusted-service certificates 4 per cent. If these adjusted-service certificates are now settled in cash the Government can save many hundreds of millions of dollars and the ex-service man and all of our citizens be inestimably benefited. If the Government settles with the holders of the insurance certificates upon terms agreeable to them, it will not be a gratuity, it will not be an additional burden to the taxpayers, but it will simply be the Government's paying before maturity its own obligations, which it is in honor bound to pay at maturity, and it will be a money-saving transaction for the United States Treasury. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield to the gentleman from North Carolina [Mr. ABERNETHY].

Mr. ABERNETHY. Mr. Chairman and members of the committee, the great injustice done by the Federal Government in the collection of tobacco taxes should be speedily remedied. No other article bears such a high Federal tax. I have called this injustice to the attention of the Congress and the country several times. In May, 1929, I made an address on the subject over the radio which was inserted in the RECORD.

Again on March 12, 1930, I addressed the House on the subject and introduced a bill. I have introduced two bills looking to relief, the first which reads as follows:

H. R. 10622

A bill to provide for the payment to States of amounts equal to a part of the sums collected as internal-revenue taxes on tobacco in order to foster education and road construction, and for other purposes

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, within the limits of appropriations made therefor, as soon as practicable after the end of each fiscal year, to each State an amount equal to one-half of the sums collected during such fiscal year from sources within such State on account of internal-revenue taxes upon cigars, cigarettes, tobacco, and snuff imposed under the provisions of sections 400 and 401 of the revenue act of 1926, as amended (U. S. C., title 26, secs. 761, 783, 832, 845).

SEC. 2. Such payment shall be made to each State only after certification by the governor thereof to the Secretary of the Treasury and a finding by the Secretary that provision has been made by law of the State for the expenditure of amounts received under the provisions of this act solely for the construction, support, maintenance and improvement of schools and roads. In case any of the amounts paid to any State under the provisions of this act is used for other than the construction, support, maintenance, or improvement of schools or roads, there shall be deducted from the amounts payable to such State under the provisions of this act the amount which has been so used.

The second one was introduced by me on January 14, 1931, and is as follows:

H. R. 16157

A bill to amend the revenue act of 1926 by reducing the tax on cigars, cigarettes, and tobacco

Be it enacted, etc., That subdivision (a) of section 400 of the revenue act of 1926, as amended (U. S. C., title 26, sec. 832; U. S. C., Supp. III, title 26, sec. 832), is amended to read as follows:

"SEC. 400. (a) Upon cigars and cigarettes manufactured in or imported into the United States which are sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid under the provisions of existing law, the following taxes, to be paid by the manufacturer or importer thereof—

"On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 60 cents per thousand;

"On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, $1.60 per thousand;

"If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, $2.40 per thousand;

"If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, $4 per thousand;

"If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, $8.40 per thousand;

"If manufactured or imported to retail at more than 20 cents each, $10.80 per thousand;

"On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $2.40 per thousand;

"Weighing more than 3 pounds per thousand, $5.76 per thousand."

SEC. 2. Subdivision (a) of section 401 of the revenue act of 1926, as amended (U. S. C., title 26, sec. 761; U. S. C., Supp. III, title 26, sec. 761), relating to the internal-revenue tax on tobacco and snuff, is amended by striking out "18 cents per pound" and inserting in lieu thereof "14 cents per pound."

SEC. 3. This act shall take effect on the expiration of 30 days after its enactment.

The second bill introduced by me has the practical effect of reducing the tax on cigars, cigarettes, and tobacco 20 per cent.

The revenue acts of 1921, 1924, 1926, and 1928 have successively reduced the internal-revenue taxes, and practically eliminated all war-time taxes, including sales, nuisance, or luxury taxes, taxes on transportation, telephone, telegraph, automobiles and parts, and miscellaneous occupational taxes. The act of 1926 cut the tax on cigars practically in half. All other tobacco products, namely, chewing and smoking tobacco and cigarettes, are taxed the same now as they were during the war. Small cigarettes, weighing not more than 3 pounds per thousand, are paying a tax of $3 per thousand, which tax has been collected by the Federal Government since February 26, 1919. The tax on a package of 20 cigarettes amounts to 6 cents.

Before the days of national prohibition liquor was taxed by the Government along with tobacco.

Our Government has not always collected a direct tax. These direct taxes have been brought about in most cases as a result of the necessity of raising war taxes. The first direct tax provided by the Government was for the post-Revolutionary period from 1791 to 1802. These taxes were on distilled spirits, refined sugar, and snuff, and other direct taxes; but by the act of April 6, 1802, were abolished.

The War of 1812 again made it necessary to have recourse to internal taxes. These taxes were from the period of 1813 to 1817, and were on distilled spirits and other things, but no tobacco tax for that period.

No internal taxes of any character were levied by the United States from 1817 until the outbreak of the Civil War, and these were provided for by acts of August 5, 1861, June 7, 1862, and the act of July 1, 1862, was the basis of the present internal-revenue system. This provided for taxation of incomes, estates, public utilities, occupations, liquors, tobacco, and other things.

Then came the Spanish-American War period, and June 13, 1898, the tax was increased on fermented liquors, tobacco products, legacies, and many other things. And by the act of March 2, 1901, most of the Spanish-American War taxes were abolished, and the tax on tobacco products was greatly reduced.

Then came the World War period, and taxes begun to be raised for carrying on the Government, and we find the emergency act of 1914, and the omnibus revenue act of 1916, and in this last bill it was provided that new and higher rates should be imposed upon manufacturers of cigars, tobacco, and cigarettes from and after January 1, 1917.

And from 1917 tobacco products have received no reduction whatsoever save in the instance of the taxes on cigars, which were reduced by the revenue act of 1926.

There was collected on tobacco products alone throughout the United States for the fiscal year ending 1930 the enormous sum of $450,339,060.50, and the State of North Carolina, which in part I have the honor to represent, paid the enormous sum of $256,729,938.33 to the Federal Government for tobacco taxes alone. The payment of this amount put North Carolina as the second largest Federal taxpayer in the Union, next to New York, ahead of Pennsylvania, Illinois, Michigan, Ohio, California, New Jersey, Massachusetts, Virginia, Missouri, and Kentucky, yet North Carolina was only the eleventh State in wealth of the 12 States named, and the tenth in wealth of manufactured products of said States and the ninth in population of said States.

To give you some idea of how burdensome this tax is to the people of my State, the following are the amounts collected for tobacco taxes by the Government from North Carolina for the years 1920 to 1930, inclusive:

1920	$108,457,156.85
1921	79,573,088.76
1922	93,189,086.02
1923	118,370,325.84
1924	136,892,474.98
1925	147,221,887.03
1926	172,503,186.60
1927	185,941,504.24
1928	204,473,504.55
1929	233,915,029.11
1930	256,729,938.33
Total	1,737,267,182.31

In the 11 years since the war North Carolina has paid to the Federal Government from tobacco taxes alone $1,737,267,182.31, approximating 28 per cent of the total wealth of our State.

Other States are being drained by these unfair taxes collected by the Government. The membership of the Congress can find out from the figures how their States are affected by reference to the annual report of the Commissioner of Internal Revenue for the fiscal year ending June 30, 1930, from pages 60 to 65, inclusive. Members will be surprised to know how their respective States are being mulcted in peace times by these taxes on tobacco products levied originally as war measures.

Surely when there is so much distress in the various States Congress can well afford to give relief.

The first bill which I introduced provides for a reduction of 50 per cent of these taxes to be returned to the States to be expended on roads and schools.

The second bill which I introduced provides for a flat reduction of 20 per cent on tobacco taxes.

The first bill which I introduced provided that there should be a refund to the various States affected and was pressed with the idea of not hurting anybody; in other words, to give relief to the manufacturers as well as to the people and producers. It has been generally conceded that the tax is out of proportion. I have conferred with the representatives of the Farm Board, and they agree with me that the tax should be reduced. There has been some question as to whether or not the Government would undertake the collection of this tax and refund it to the States in accordance with my original bill.

However, there is precedent for this idea, and in preparing this bill I worked it out along the lines that the refund should be applied to schools and roads only in the various States concerned, and this could well be done without any violation of the Constitution.

The legislatures of many States are now in session. The Legislature of North Carolina has recently met and that body had memoralized Congress to give a rebate of at least 20 per cent to the end that our people, who are now in a distressed condition on account of high taxes, can be given some relief.

Whether this relief can be secured by Congress before the legislature adjourns is very doubtful. I am confident that

eventually Congress will give this just reduction. Whether or not the legislature should go ahead and apply the taxes on the manufacturers of tobacco, and thereby relieve the taxes on land and other property in the various States at the present time, and then rely on the Congress to give relief to the manufacturers is a question which will have to be determined by the various legislatures. The tax is all out of proportion and can only be justified on the theory of a war-time measure.

If the Congress desires to give substantial relief to be handed on to the farmers who are so distressed in the various sections affected, let them reduce this tax at least 20 per cent. The 50 per cent reduction would not be out of place. It was my idea when I introduced my original bill that, if the membership of the House felt that this was too great a reduction, I would be willing to agree to an amount of less than 50 per cent.

I strongly urge the membership of the House to look into this matter carefully, because I know that many Members will find a way to help their various constituents; and if the Members of Congress from the States affected will get together, there will be no question but that we can get this tax reduced. Take, for instance, in North Carolina a 20 per cent reduction on manufactured tobacco products would save to our people more than $50,000,000 annually, and would open to the legislature this source of taxation to apply to State needs, such as schools and roads, and this would solve our problem in North Carolina. To show you how unfair this tax is to North Carolina, there has been a growing increase of the amounts collected by the Federal Government each year in North Carolina as will be shown by the table heretofore read to you. We paid $22,814,909.22 more in 1930 than in 1929.

I earnestly urge the Congress to grant to the tobacco producers and manufacturers this just and equitable relief. [Applause.]

Mr. SHREVE. Mr. Chairman, I yield one minute to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and gentlemen of the committee, to-day is the eleventh anniversary of the adoption of the eighteenth amendment. My colleague from Michigan [Mr. HUDSON] is at present in another place as one of the speakers in observing this anniversary. I ask unanimous consent to extend my remarks by the inclusion of the remarks made by my colleague in connection with that meeting.

The CHAIRMAN. Is there objection?

Mr. LAGUARDIA. Mr. Chairman, reserving the right to object, has the gentleman frim Michigan read his colleague's speech?

Mr. KETCHAM. Yes.

Mr. LAGUARDIA. Is it a fair and accurate report of what prohibition has accomplished in the past 11 years?

Mr. KETCHAM. I have read the speech, and I not only have great confidence in what my colleague says, but what he says meets with my approval.

Mr. LAGUARDIA. Then I am sure that it is quite contrary to the actual conditions, but I shall not object, nevertheless.

Mr. KETCHAM. Mr. Chairman, the following are extracts from an address delivered by my colleague [Mr. HUDSON] at a luncheon held in the Hotel Roosevelt, Washington, D. C., January 16, 1931, on the eleventh anniversary of the adoption of the eighteenth amendment:

Prof. Zechariah Chafee, jr., in the January Forum, complains against the eighteenth amendment being placed in the Constitution on the ground that the matter of prohibiting the liquor traffic is but an experiment and therefore should not have been placed in the Constitution, because "it incapacitates the American people from an effective search in reference to some better method of handling the liquor traffic."

The professor errs in his concept of prohibition. It is not an experiment but the final solution after every other method of control and modified prohibition has proven a failure. Prohibition is not an experiment; it marks the end of all experiments in the control of the liquor traffic. It embodies the wisdom of hundreds of years in which every conceivable way of solving the liquor problem short of prohibition had been tried—high license, low license, local option, State option, Government control, Government dispensary. Under all of which the liquor traffic continued to thrive and the business in volume mounted higher and higher. It would not be restricted; it would not be controlled; it would not mend its ways; and prohibition was a necessity to outlaw it. State prohibition availed little; hence the final solution of national prohibition. Through all these years the traffic increasingly proved it was inherently evil, inherently antisocial, inherently unamenable to legal restraint; in other words, inherently illegitimate; and only one thing was left to do and that was to turn it out of doors.

The conscience of the Nation increasingly rebelled in sharing in the profits which accrued from the traffic. It did not matter whether the profit was small, through low license, or large, through high license. The same principle was involved. Public opinion became acutely aware of the immorality to the Nation in operating city, State, or National Government by revenue taken from the liquor traffic, which in turn represented blood money sucked from the debauched victims, their wives and children. There was only one position to take by the aroused conscience of the Nation. That was partnership between the body politic and the inherent evil foes must cease.

What could follow? Allow the traffic to operate without restraint, either in the form of law or taxes? Most assuredly not. There was only one thing left, and that was to constructively place it outside the law; to declare it had no standing in the law, and to turn the whole body of the law against it. This the people of the United States did when they adopted the eighteenth amendment. There was no other alternative then; there is none to-day.

Prohibition went into the Constitution because the period of trial and experiment had ended in utter failure. It came not because some so-called drys wished it but because there had to come an end to experimentation. Other than prohibition there is no plan of liquor control which does not involve the fundamental immorality of partnership by the Government in the iniquity of the traffic. The social conscience of the American people is crude enough, but it is too fine to ever tolerate that partnership again. Prohibition is in the Constitution not as a governmental experiment but as a governmental policy that will not be changed.

Therefore we say to-day that prohibition is not on trial. It is democracy itself that is on trial. Shall democracy confess that it can not enforce its own laws? We believe that such a question is of such gravity that it can only be considered with the most solemn reflection. Are we going to say to-day that the greed of the outlawed liquor traffic, backed up by a seditious wet press and an organized gangdom, can create a conspiracy against the fundamental law of the land, which conspiracy shall become so strong that democracy shall hold up its hands in passive submission? It is inconceivable, and such a condition will not come to pass.

I would like on this anniversary day of the adoption of the eighteenth amendment to call attention to some confusion that has been created in the mind of the American public in the use of certain names by the press of the country. Men are termed "bone-dry," "dry," "wet," "moist," "damp." Some are designated as "personally dry but politically wet," others "personally wet but politically dry." As far as the eighteenth amendment is concerned, there can be but two terms—one is either dry or he is wet.

We need to make the distinction between drinking and the traffic in liquor. The eighteenth amendment has nothing to do with the matter of drinking. It has everything to do with the matter of traffic in drinking. Long before we were talking about prohibition the Supreme Court of the United States ruled that the nature of the traffic in drink was of such character that it had no inherent right to exist, and could only exist by the license or sufferance of a civic community. Whatever the unit might be. When we view the matter in that light we recognize that the dry is not a moralist, he is an economist. In his thought and legislation he is dealing with an evil that is an economic evil, and as such he is proceeding against it. There may be other evils, there are other evils involved in the liquor traffic, but in relation to the eighteenth amendment it is the economic evil that is being treated by the abolition of the manufacture and traffic in liquor.

The amendment, therefore, operates in the same field in which all law operates, whether it be tariff, immigration, public utility, or tax measures. That is the economic field. In the above matter the test is, What is for the common good? So in the question of the prohibition amendment, How shall the common good be best served? The only difference in the discussion of the prohibition measure and the other measures referred to is that in the case of the first you are dealing with an inherent evil, while in the case of the latter measure there is inherent good.

I want to repeat that the dry has nothing to do legislatively with the matter of drinking, but with the traffic in drink. There is not a word in the entire body of antiliquor legislation which forbids drinking. The Nation is to be congratulated that there was clear thinking on the part of its national legislators when the eighteenth amendment was adopted for they definitely refused to invade the area of personal liberty, and the courts have decided that they legislated well. The logic, of course, naturally would say the purchaser was a coconspirator with the seller, but the whole intent of the amendment was to stamp out from our economic system commerce in the traffic of intoxicating liquors.

With this view the personal-liberty argument can have no standing before the bar, and the fact that the opposition to the eighteenth amendment admits the evil of the former centers of the liquor traffic—the saloons—bears out our contention. There is no question about making it a crime to drink; that is not

the issue. The one thing that all drys are agreed on is that the organized business of making and selling intoxicating liquor for beverage purposes is evil, and that the evil which it produces in the social body is so great that there must be refusal to give it the standing in the community which the law gives to every legitimate business.

It is a question of wisely handling an inherent evil so that the people may be protected against the incidents of waste, poverty, immorality, inefficiency, and social corruption, for which its presence in the economic life of the people is responsible. One turns to the so-called control of the traffic, whatever that control may mean, and he finds that under such control the traffic has not been retarded but has increased and flourished; therefore he says there is but one thing to do—that that is to prohibit it, to make it an outlaw, and then turn all the powers of law against it.

A dry knows a partial barrier against the liquor traffic ends in being no barrier at all. He knows that a proposition to legalize a certain form of intoxicating liquor means the legalizing of all liquor in the end. He knows a partial barrier is a breakdown of an absolute barrier; and in taking such a position he would reclassify himself into the column of a wet, regardless of what his personal habits might be.

On this anniversary day we are to rejoice in the position of the Chief Executive of the Nation in the appointments he has made of the officials who shall handle the enforcement of this governmental policy and that he has taken his position as one who believes in the economic value of the law and therefore his position is unassailable. The great issue to-day which the Chief Executive, to our mind, clearly sees is that we are in the battle of democracy versus the liquor traffic.

Mr. OLIVER of Alabama. Mr. Chairman, I now yield to the gentleman from Massachusetts [Mr. GRANFIELD].

Mr. GRANFIELD. Mr. Chairman and colleagues, I arise to-day in opposition to the additional or increased appropriation of $2,856,211, stipulated in behalf of the Bureau of Prohibition and contained in the Department of Justice appropriation bill, H. R. 16110, for the fiscal year of 1932.

Each year for the past 11 years the Bureau of Prohibition has come to this Congress for appropriations, and we find that the records show that our Government in its efforts to enforce this law has needed additional and increased appropriations; and if I may be permitted, I wish to incorporate in my statement to you the list of appropriations provided by our Government for prohibition enforcement during the fiscal years from 1920 to 1931, which are as follows: 1920, $3,750,000; 1921, $5,500,000; 1922, $7,500,000; 1923, $9,250,000; 1924, $9,000,000; 1925, $11,341,770; 1926, $11,000,000; 1927, $13,322,445; 1928, $13,320,405; 1929, $13,737,804; 1930, $15,000,000; 1931, $15,000,000.

These figures are a sad commentary on an expensive experiment. Each year for the past 11 years the Bureau of Prohibition through its dry chief, has been receiving increased appropriations, and this year it has returned with its usual request. When will all this stop? When will the Congress of the United States begin to give consideration to the will of the people of this Nation?

The appropriation requested under the terms of this bill will provide for an additional 500 agents, and from the sum of $2,856,211, which is sought by the Bureau of Prohibition, $1,140,000 is to be paid in salaries to 500 agents, 20 of whom have been allotted to the first district, which comprises the New England States.

In the light of statements made by General Andrews and Doctor Doran, that in order to effectively and efficiently enforce prohibition $300,000,000 would be necessary, it appears to me that the increased appropriation of $2,856,211 is a flagrant waste of money. It is time that the purse strings of our Government should be tightened. We should put a stop to the useless and wasteful spending of the public moneys.

Midnight of last night marked the eleventh year of the adoption of prohibition, and while in the minds of some people the eighteenth amendment to our Constitution is an "experiment noble in purpose," there are millions of people in our country who are convinced that the eighteenth amendment is a nightmare.

During my brief association with the Members of this House it has come to my attention on the floor of this Chamber that our Government, through its authorized and constituted agents, has deemed it necessary, in order to enforce this law, to resort first to the dissemination of propaganda. The Bureau of Prohibition has found it necessary to engage speakers who have traveled throughout the length and the breadth of our Nation urging our people to support the eighteenth amendment and the Volstead Act. Further, published propaganda has been circulated in pamphlet form by the bureau throughout this Nation, containing misstatements of fact in an effort to coerce our people to respect this law. There is no question that the enactment of the eighteenth amendment and the Volstead Act into the laws of this country was a step in the wrong direction. No other laws on the books of the Nation require coercion by our Government to obtain the people's respect for them; the prohibition laws are the exception. Respect for law and order is born in the souls of all our citizens.

It has come to my attention on the floor of this Chamber that in order to enforce prohibition the legally constituted agents of our government have had to play the part of the criminal. My esteemed colleague from Maryland [Mr. LINTHICUM] revealed to the Members of this House that Government agents had opened a speak-easy in the city of Indianapolis, Ind., where liquor was bought and sold in order to encourage individuals into the commission of crime so that arrests might be made. Our Government paid the rent for this speak-easy, paid the agents who operated it, and provided the liquor that was bought and sold in this enterprise. In Elizabeth town, N. J., the agents of our Government maintained a still of great capacity for the purpose of manufacture and sale of liquor. In this incident the taxpayers of our Government unwittingly financed this nefarious enterprise. In New York, we understand that the Government established a bridge whist club which was operated by the Prohibition Bureau. The rent, the furniture, the liquor, and the agents were paid out of public funds. The distinguished gentleman from New York [Mr. LAGUARDIA] brought to the attention of this House that the Government operated a pool room in Norfolk, Va., where liquor was sold for the purpose of entrapment. He stated also that the Prohibition Bureau financed a corporation in New York known as Le Shone de Paris, and financed the corporation to get an alcohol permit, it purchased denatured alcohol, and unlawfully sold denatured alcohol to manufacturers for beverage purposes. This corporation was incorporated under the laws of the State of New York. These events are based upon facts supported by evidence which is in the office of the comptroller, where the vouchers used in the payment of these matters will be found by any citizen. However, this is not all; our Government has poisoned liquor; has entered into the business of homicide in order to enforce this unenforceable law. When I realize the extremes to which the agents of our Government have gone in order to enforce this law, and when I observe the conditions which exist in the very sight of the dome of the Capitol of this Nation, where every police officer is in fact a Federal officer, and where the Chief Magistrate of this Nation resides, I am convinced that the prohibition laws are unenforceable, and that the people of this Nation can not be brought to a state of mind to respect this law.

The conditions in the Capital City of this Nation are appalling. No matter what daily paper one may read in Washington he finds caption after caption depicting some form of liquor violation. Only yesterday I observed in the columns of the Washington Post that 1,104 one-half gallons of corn whisky were being transported by a bootlegger when he was arrested. If this law can not be enforced in the Capital of this Nation, with all the resources of the Government available, I contend it can not be enforced in any State, city, or town in the United States.

The enactment of prohibition into the laws of this country has been characterized as an "experiment noble in purpose." It was noble in purpose 11 years ago, but its nobility has long since disappeared. To-day it is an experiment nefarious in purpose. When our Government is forced to resort, in order to enforce the eighteenth amendment, to the entrapment of our citizens into the commission of crime, to the dissemination of propaganda to encourage respect for this law, and to the poisoning of commercial alcohol to cur-

tail its sale, it is time that the people of this Nation took a hand.

When the people of my Commonwealth ratified the eighteenth amendment in 1918 they believed back in those days that prohibition was an "experiment noble in purpose." The old Bay State through its constituted authority put its enforcement machinery to work at high speed in an effort to carry out this provision of our laws. In 1924, by referendum of our people, we adopted the Baby Volstead Act. We were hopeful that the "experiment noble in purpose" would be productive of the relief that the advocates of prohibition promised to us. We adopted the Baby Volstead Act with the sincere purpose of doing everything in our power to give this law a fair chance. Among the States of our Nation Massachusetts has ever been in the vanguard of progress. Her noble sons struck the first blow for liberty when they fired "the shot heard around the world." Massachusetts to-day is still the Massachusetts of old. She is cognizant of the abuses that have grown up under prohibition. In 1928, by a vote which was overwhelming in its proportions, the people of my Commonwealth instructed its State Senators to memorialize Congress to repeal the eighteenth amendment. This course was adopted after an experiment of eight years. Massachusetts is ever alert to the needs of her people and the people of this Nation.

Again on November 4, 1930, just a few months ago, at a general election, the voice of Massachusetts was heard throughout this Nation. By an overwhelming vote the citizens of our Commonwealth repealed the Baby Volstead Act. By this ultimatum Massachusetts gave notice to the President and to the Congress of the United States that prohibition is a scandalous failure and the eighteenth amendment should be repealed, and that our Federal Government should take such action as will relieve us of this unjust law. Massachusetts in that election did more; it sent to the Senate of the United States a very distinguished citizen in the person of Marcus A. Coolidge. He is committed to the repeal of the eighteenth amendment. The voters of my Commonwealth also elected as governor of the old Bay State a courageous and fearless advocate of the repeal of the eighteenth amendment, his excellency Joseph B. Ely, of Westfield. In his inaugural address he made his position very clear on this great issue when he said:

> The eighteenth amendment to the Federal Constitution, the Volstead Act, and the so-called Baby Volstead Act were all enacted in the interest of temperance, sobriety, and public safety. It is the firm belief of the people of this Commonwealth, after years of experience with these measures, that they have not accomplished what was hoped and believed would be accomplished by their enactment. As a result, at the last election the Baby Volstead Act was repealed by referendum. Massachusetts has taken this step, not in the interest of intemperance but as a measure of public safety, and as a temperance measure, believing that great harm has been done in many ways and in many directions by reason of the amendment and these laws. The mere repeal accomplished by the referendum should not be the last ultimate step of Massachusetts in this matter. The position of Massachusetts should be plainly stated by our legislature, to the point of asking a modification of the Volstead Act and the enactment of such legislation as will put the matter of intoxicating liquors on a reasonable, sane, and enforceable basis, in the interest of temperance and sobriety and the peace and good order of the Commonwealth and the country. Massachusetts did not go on record with the referendum idly or as a gesture, but registered the firm belief of our people. It is our business to take such action as we may to enforce what we believe to be our reasonable demand.

On the same ticket with these gentlemen I was reelected to the Congress of the United States. I have accepted the mandate of my people and I oppose the additional increase requested in the appropriation by the Prohibition Bureau. To support this additional appropriation would be a dereliction of my plain duty to my people.

Mr. SHREVE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RAMSEYER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 16110) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1932, and for other purposes, and had come to no resolution thereon.

UNEMPLOYED

Mr. LANKFORD of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some remarks of H. H. Frost on the subject of relief of unemployment.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANKFORD of Virginia. Mr. Speaker and Members of the House, you have heard a great deal of discussion on the subject of unemployment and how best to provide for it. The American people want to work and they prefer to work for their daily bread rather than to have it given to them.

Many plans have been advanced for the relief of the unemployment situation, and those measures which distribute the employment most generally, it seems to me, should meet with immediate favor.

Of course, the mere giving of employment without performing necessary and essential work is uneconomical, but where both essential work can be performed and general employment result, the ideal for the present has been met.

I am submitting herewith an article on the subject of the essential needs of the Navy Department in developing an adequate defense, which shows clearly how broadly benefits would be distributed from this work.

BATTLESHIPS AND UNEMPLOYMENT

By Commander Holloway H. Frost, United States Navy

The Battle of Jutland taught many lessons in ship design. The British hastened to increase the defensive strength of their battle cruisers against long-range shellfire by the thickening of their horizontal armor. The narrow escape of the *Marlborough*, which was hit by a single torpedo, confirmed the underwater weaknesses of the British battleships—already indicated by the sinking of the *Audacious* by a mine. To the ships already built they attached what was virtually another underwater hull—called bulges or blisters. In vessels built after Jutland, increased emphasis was given to both armor and underwater protection. They considered this new construction so greatly improved that there was a disposition for a time to consider it in an entirely distinct category—post-Jutland ships.

After Jutland a new menace to the capital ship made its appearance, the airplane with its bombs. These bombs might either penetrate the decks and horizontal armor and explode in the ship's vitals or it might detonate in the water close to the hull, thus causing leaks and possibly throwing out of line the propeller shafts and rudder. These threats made necessary a further thickening of the horizontal armor, an additional strengthening of the underwater hull, and the installation of a battery of antiaircraft guns. The use of airplanes for observing naval gunfire increased greatly the distance at which it could be made effective. This caused a desire to elevate the turret guns to a greater angle so that they could fire at increased ranges.

To allow for these necessary modifications in capital ships the Washington treaty permitted the addition of 3,000 tons to each ship. The British have modernized all the 15 ships allowed by the London treaty except the *Barham*. Of our 15 battleships, seven have been modernized. The Navy Department has announced its desire to modernize the next three, *Mississippi*, *New Mexico*, and *Idaho*. These vessels were laid down in 1915. Thus they are pre-Jutland ships. Their modernization will bring us close to parity with the British in capital ships. It is essential that it be commenced at an early date.

Our remaining battleships—five in number—were laid down between 1916 and 1919. While these vessels have considerably more defensive strength than their predecessors, the modernization of two, and probably five, will ultimately prove necessary. This will permit us to equalize the advantage which the *Rodney* and *Nelson* now give the British. It will also further an agreement increasing the life of battleships to 25 or even 30 years with resultant great economy.

The building of naval vessels is an important remedy for the unemployment situation. Into naval construction go every kind of material and workmanship. It involves every industry and every section of the country. For example, take the new 10,000-ton cruisers, Nos. 32, 34, and 36. These ships are being built in the Government navy yards at New York, Philadelphia, and Puget Sound. The construction of these vessels gives steady employment to a large number of workingmen over a period of three or four years. In addition to the men employed on the ships themselves in the above three navy yards much of the equipment with which they are supplied and the material from which they are fabricated provide employment for workmen in other sections of the country.

Much of the equipment comes from other navy yards. For instance:

Guns—Navy yard, Washington, D. C.
Torpedoes—Torpedo station, Newport, R. I.
Anchor chains and cordage—Navy yard, Boston Mass.

Boats and metal furniture—Navy yard, Norfolk, Va.

The rest of the equipment and all of the material used in the fabrication of the ships is obtained from private contractors. I have before me a list showing the more important contracts. It is far too long to include here, but it may be of interest to list the States from which the more important items are furnished. Here are a few:

Steel: Pennsylvania, Maryland, Delaware, New York, West Virginia.
Rivets: Ohio, Illinois, Pennsylvania.
Wood: Massachusetts, Oregon.
Main engines: Pennsylvania.
Boilers: Ohio, New Jersey.
Motors: New Jersey.
Optical equipment: New York, New Jersey.
Compasses: New York, Massachusetts.
Powder tanks: New Jersey, Pennsylvania.
Wire: New Jersey, New York, Illinois.
Searchlights: New York.
Electrical equipment for fire control: New York.
Telephones: Illinois.

This list includes only the main factory of each contractor. In some cases they have factories in 12 States and may have distributed their work among all of them. In addition to the States already listed the following may, therefore, be added as probable beneficiaries of the ship-building program: Tennessee, Michigan, Connecticut, Kentucky, Indiana, Alabama, California, and Missouri.

If we carry this study a step farther we will see that the raw material for the various manufactured articles provided by the contractors come from still other States. And to bring the raw material to the contractors the railroads and shipping of even other States are required. To mention only one example, iron ore must be mined in Minnesota or Wisconsin and carried by Great Lakes steamers to the eastern States to be made into steel. Thus, directly or indirectly, the construction of naval vessels provides employment for workmen of every trade and every section of the country.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. WAINWRIGHT, for two days, on account of important family business.

Mr. MANSFIELD, for an indefinite period, on account of illness.

Mr. HANCOCK of North Carolina, until Monday afternoon, on account of sickness in family.

ENROLLED BILL SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9991. An act to fix the salary of the minister to Liberia.

ADJOURNMENT

Mr. ACKERMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 46 minutes p. m.) the House adjourned to meet tomorrow, Saturday, January 17, 1931, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Saturday, January 17, 1931, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE PUBLIC LANDS

(10.30 a. m.)

To authorize the withdrawal of certain public lands from entry under the homestead and desert land laws of the United States for the protection of the watershed supplying water to the city of Los Angeles, Calif. (H. R. 11969.)

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

780. A communication from the President of the United States, transmitting an amendment to the estimate of appropriation for the Federal Power Commission in the Budget for the fiscal year 1932, page 32 (H. Doc. No. 719); to the Committee on Appropriations and ordered to be printed.

781. A letter from the Secretary of War, transmitting a draft of a joint resolution to authorize the acceptance of a bequest to the Army Medical Museum and the Army Medical Library; to the Committee on Military Affairs.

782. A letter from the Secretary of War, transmitting a draft of a bill to authorize the acquisition of land in connection with the water supply of the United States Military Academy at West Point, N. Y.; to the Committee on Military Affairs.

783. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia for the fiscal year 1932, to be immediately available, in the sum of $1,500,000 for beginning the construction of the first unit of the municipal center (H. Doc. No. 720); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SMITH of Idaho: Committee on the Public Lands. H. R. 15877. A bill to authorize exchanges of land with owners of private-land holdings with the Craters of the Moon National Monument; without amendment (Rept. No. 2286). Referred to the Committee of the Whole House on the state of the Union.

Mr. COLTON: Committee on the Public Lands. S. 4149. An act to add certain lands to the Ashley National Forest in the State of Wyoming; without amendment (Rept. No. 2289). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. IRWIN: Committee on Claims. H. R. 8999. A bill for the relief of Miguel Pascual, a Spanish subject and resident of San Pedro de Macoris, Santo Domingo; without amendment (Rept. No. 2283). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 9003. A bill for the relief of Rose Fefferman, administratrix of the estate of Adolph Fefferman, deceased; without amendment (Rept. No. 2284). Referred to the Committee of the Whole House.

Mr. FITZGERALD: Committee on Claims. S. 896. An act to pay the Pioneer Steamship Co. the sum of $3,100.50, money paid as duty for repairs in foreign ports; without amendment (Rept. No. 2285). Referred to the Committee of the Whole House.

Mr. DRANE: Committee on Naval Affairs. H. R. 1827. A bill for the relief of the dependents of Max Grady Sullivan, deceased; without amendment (Rept. No. 2287). Referred to the Committee of the Whole House.

Mr. COYLE: Committee on Naval Affairs. H. R. 10643. A bill for the relief of Charles D. Jeronimus; with amendment (Rept. No. 2288). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 14486) granting a pension to George E. Hilgert; Committee on Invalid Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 16187) granting a pension to Eudora Elkins; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ELLIOTT: A bill (H. R. 16245) to provide for the acquisition of a site for a building to be occupied by the General Accounting Office and to create a commission to provide for the submission to the Congress of preliminary plans and estimates of costs for the construction of a building to be erected thereon; to the Committee on Public Buildings and Grounds.

By Mr. KEMP: A bill (H. R. 16246) to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Baton Rouge, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOOD: A bill (H. R. 16247) to provide for the use of patents and for the acquisition of patented articles at a reasonable price by the United States and agencies thereof; to the Committee on Patents.

By Mr. ELLIOTT: A bill (H. R. 16248) authorizing the Secretary of War to exchange with the Rosslyn Connecting Railroad Co. lands on the Virginia shore of the Potomac River near the west end of the Arlington Memorial Bridge; to the Committee on Public Buildings and Grounds.

By Mr. SMITH of Idaho: A bill (H. R. 16249) to provide for the disposition of power revenues on Federal irrigation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. McCORMACK of Massachusetts: A bill (H. R. 16250) to amend the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 16251) to amend the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 16252) to amend the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

By Mr. UNDERWOOD: A bill (H. R. 16253) to authorize the erection of an addition to the existing Veterans' Bureau Hospital Plant No. 97 at Chillicothe, Ohio, and to authorize the appropriation therefor; to the Committee on World War Veterans' Legislation.

By Mr. HOWARD: A bill (H. R. 16254) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Niobrara, Nebr.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16255) for the relief of the Omaha Indians residing in school district No. 16, Thurston County, State of Nebraska; to the Committee on Appropriations.

By Mr. SANDERS of New York: A bill (H. R. 16256) to fix more equitably the responsibility of postmasters; to the Committee on the Post Office and Post Roads.

By Mr. TILSON: A bill (H. R. 16257) to authorize enlargement of the Veterans' Bureau hospital in the State of Connecticut; to the Committee on World War Veterans' Legislation.

By Mr. JONES of Texas: A bill (H. R. 16258) to authorize loans to farmers in the drought and/or storm stricken or hail-stricken areas or other areas of the United States for use in making payments on loans from Federal land banks; to the Committee on Agriculture.

By Mr. MOORE of Virginia: Joint resolution (H. J. Res. 469) to amend joint resolution approved December 20, 1930, for the relief of farmers in drought and/or storm stricken areas of the United States; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 16259) granting an increase of pension to Martha J. Beal; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 16260) granting an increase of pension to Jane A. Campbell; to the Committee on Invalid Pensions.

By Mr. BAIRD: A bill (H. R. 16261) granting an increase of pension to Sarah E. Jacobs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16262) granting a pension to Caroline Burton; to the Committee on Invalid Pensions.

By Mr. BEERS: A bill (H. R. 16263) granting an increase of pension to Margret E. Gulden; to the Committee on Invalid Pensions.

By Mr. DALLINGER: A bill (H. R. 16264) for the relief of Samuel Marobelli; to the Committee on Military Affairs.

By Mr. FINLEY: A bill (H. R. 16265) granting an increase of pension to John Baker; to the Committee on Pensions.

Also, a bill (H. R. 16266) granting an increase of pension to William G. Jones; to the Committee on Pensions.

Also, a bill (H. R. 16267) granting a pension to Jane Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16268) granting a pension to John B. Ellis; to the Committee on Pensions.

By Mr. FITZGERALD: A bill (H. R. 16269) granting an increase of pension to Mary Baker; to the Committee on Invalid Pensions.

By Mr. FULLER: A bill (H. R. 16270) granting a pension to May Bell Son; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 16271) granting a pension to Mary Cornelia Carrol; to the Committee on Pensions.

Also, a bill (H. R. 16272) extending the time for consideration of application for retirement of Otis L. Sims under the emergency officers' retirement act; to the Committee on Military Affairs.

By Mr. HALE: A bill (H. R. 16273) granting an increase of pension to Almira A. Flanders; to the Committee on Invalid Pensions.

By Mr. HOGG of West Virginia: A bill (H. R. 16274) granting an increase of pension to Isaac I. Deems; to the Committee on Invalid Pensions.

By Mr. HOUSTON of Delaware: A bill (H. R. 16275) for the relief of Horace G. Knowles; to the Committee on Claims.

By Mr. KURTZ: A bill (H. R. 16276) granting an increase of pension to Rachel Corl; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 16277) granting a pension to Mrs. J. L. Clinkinbeard; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 16278) granting a pension to James Combs; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 16279) granting a pension to Grace A. Mael; to the Committee on Invalid Pensions.

By Mr. MENGES: A bill (H. R. 16280) granting an increase of pension to Sarah C. Cleaver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16281) granting a pension to Edith L. Shultz; to the Committee on Invalid Pensions.

By Mr. NELSON of Maine: A bill (H. R. 16282) granting a pension to Rose M. Young; to the Committee on Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 16283) granting an increase of pension to William M. Mitchell; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 16284) granting a pension to Mariah E. Groom; to the Committee on Invalid Pensions.

By Mr. HARCOURT J. PRATT: A bill (H. R. 16285) granting an increase of pension to Phinia E. Howard; to the Committee on Invalid Pensions.

By Mr. HENRY T. RAINEY: A bill (H. R. 16286) granting a pension to Mary E. Ranson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16287) granting a pension to Minnie Winters; to the Committee on Invalid Pensions.

By Mr. RAMSPECK: A bill (H. R. 16288) for the relief of Emanuel V. Heidt; to the Committee on Military Affairs.

By Mr. RUTHERFORD: A bill (H. R. 16289) for the relief of the Crawford Nurseries; to the Committee on Claims.

Also, a bill (H. R. 16290) for the relief of the Concord Nurseries; to the Committee on Claims.

Also, a bill (H. R. 16291) for the relief of the Pike County Nurseries; to the Committee on Claims.

By Mr. TAYLOR of Colorado: A bill (H. R. 16292) for the relief of James Laird; to the Committee on World War Veterans' Legislation.

By Mr. VESTAL: A bill (H. R. 16293) granting an increase of pension to Fred G. Pettigrew; to the Committee on Pensions.

By Mr. WHITLEY: A bill (H. R. 16294) granting an increase of pension to Katherine Shaffer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16295) granting an increase of pension to Emma L. Tunstall; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8616. By Mr. BLOOM: Petition of residents of New York State, urging the passage of House bill 7884, providing for the exemption of dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

8617. By Mr. BRUNNER: Resolution of the Long Island Chamber of Commerce, New York, opposing transfer of all or any part of the New York State Canal system to Federal Government under terms and conditions of rivers and harbors act of July 3, 1930; to the Committee on Rivers and Harbors.

8618. By Mr. CRAIL: Petition of many citizens of Los Angeles County, Calif., favoring the passage of House bill 7884, for the exemption of dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

8619. By Mr. CULLEN: Petition of Trades and Labor Council, of Wichita Falls, Tex., indorsing the move of the Independent Oil Operators for their plea for an embargo on crude oil and its by-products from foreign countries, and supported by the Carpenters' Local Union, No. 977, Painters' Local Union, No. 393, the Retail Merchants' Association, and other like organizations; to the Committee on Ways and Means.

8620. Also, petition of the port and waterways committee of the Long Island Chamber of Commerce, opposing the transfer of all or any part of the New York State Canal system to the Federal Government under the terms and conditions set forth in the rivers and harbors act of July 3, 1930; to the Committee on Interstate and Foreign Commerce.

8621. Also, petition of New York State Holstein-Friesian Association, urging the suspension of the recent ruling of the Commissioner of the Bureau of Internal Revenue that unbleached palm oil may be used in the manufacture of oleo; to the Committee on Agriculture.

8622. By Mr. HILL of Washington: Petition of Dan Shaser and other residents of Cashmere, Wash., asking for the passage of House bill 15489, providing for increase of pensions to Indian-war veterans; to the Committee on Pensions.

8623. By Mr. KIEFNER: Petition of A. B. Bourne, W. A. Gordon, et al., of Bunker, Reynolds County, Mo., urging the enactment of legislation for the immediate payment of adjusted compensation to World War veterans; to the Committee on Ways and Means.

8624. Also, petition of William M. Simpson, et al., of Potosi, Washington County, Mo., urging payment in lump sum of adjusted compensation to veterans of the World War; to the Committee on Ways and Means.

8625. Also, petition of members of the American Legion Post, No. 185, Greenville, Wayne County, Mo., urging the passage of legislation for the payment of the adjusted compensation to all World War veterans; to the Committee on Ways and Means.

8626. By Mr. FRANK M. RAMEY: Petition of the American Legion Department of Illinois, for payment of full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

8627. By Mr. RAMSPECK: Petition of 408 veterans of the World War of Atlanta, Ga., requesting Congress to enact legislation providing for the immediate payment of the face value of their adjusted-service certificates; to the Committee on Ways and Means.

8628. By Mr. TEMPLE: Petition of Parent-Teachers Association, of Waynesburg, Pa., urging enactment of the Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

8629. By Mr. WELCH of California: Petition of citizens of the fifth congressional district, San Francisco, Calif., urging the enactment of House bill 7884; to the Committee on the District of Columbia.

8630. By Mr. WILLIAMS: Petition from the Trades and Labor Council of Wichita Falls, Tex.; Carpenters Local Union, No. 977; Painters Local Union, No. 292; Retail Merchants Association; and other like organizations, indorsing the move of the independent oil operators for an embargo on crude oil and its by-products from foreign countries; to the Committee on Ways and Means.

8631. By Mr. YATES: Petition of Rev. P. G. Van Zandt, pastor First Baptist Church, Joliet, Ill., urging the passage of legislation whereby only citizens should be counted in determining the representation in Congress; to the Committee on the Judiciary.

8632. Also, petition of J. A. Del Mar, 903 Michigan Avenue, Evanston, Ill., urging the House of Representatives to pass Senate bill 4123, for refinancing of levee drainage of southern Missouri; to the Committee on Irrigation and Reclamation.

8633. Also, petition of H. B. Hill, president Abraham Lincoln Life Insurance Co., Springfield, Ill., urging the passage of the Glenn-Smith bill, which has passed the Senate and is now before the House of Representatives; to the Committee on Irrigation and Reclamation.

SENATE

SATURDAY, JANUARY 17, 1931

(Legislative day of Monday, January 5, 1931)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

LITTLE BAY BRIDGE, NEW HAMPSHIRE

Mr. MOSES. Mr. President, yesterday, by unanimous consent, on a report from the Committee on Commerce, I secured the passage of the bill (S. 5688) granting the consent of Congress to the State of New Hampshire to construct, maintain, and operate a toll bridge or dike across Little Bay at or near Fox Point. Upon examining the text of the bill I discover the form used in transcribing it is erroneous and that the words "or dike" should be added wherever the word "bridge" occurs in the bill. I ask unanimous consent for a reconsideration of the votes by which the bill was read the third time and passed and that the amendments may be adopted.

The VICE PRESIDENT. Without objection, the votes by which the bill was ordered to a third reading, read the third time, and passed will be reconsidered, and the amendments will be made; and, without objection, the bill as amended will be passed.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	George	McKellar	Smith
Barkley	Gillett	McMaster	Smoot
Bingham	Glass	McNary	Steck
Black	Glenn	Metcalf	Steiwer
Blaine	Goff	Morrison	Stephens
Borah	Goldsborough	Morrow	Swanson
Bratton	Gould	Moses	Thomas, Idaho
Brookhart	Hale	Norbeck	Thomas, Okla.
Bulkley	Harris	Norris	Townsend
Capper	Harrison	Nye	Trammell
Caraway	Hastings	Oddie	Tydings
Carey	Hawes	Partridge	Vandenberg
Connally	Hayden	Patterson	Wagner
Copeland	Hebert	Phipps	Walcott
Couzens	Heflin	Pine	Walsh, Mass.
Cutting	Howell	Pittman	Walsh, Mont.
Dale	Johnson	Reed	Waterman
Davis	Jones	Robinson, Ark.	Watson
Deneen	Kean	Schall	Wheeler
Dill	Kendrick	Sheppard	Williamson
Fess	Keyes	Shipstead	
Fletcher	King	Shortridge	
Frazier	McGill	Simmons	